

EXHIBIT A

Page 1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

- - -

In Re: : Chapter 11
: :
: Case No.
W.R. GRACE & CO., et al, : 01-01139 JFK
: :
: (Jointly
Debtors : Administered)

- - -

Thursday, June 11, 2009

- - -

Oral deposition of JAY W.
HUGHES, JR., ESQUIRE, taken pursuant to
notice, was held at the offices of
KIRKLAND & ELLIS, 665 Fifteenth Street,
NW, Washington, DC 20005, commencing at
9:07 a.m., on the above date, before Lori
A. Zabielski, a Registered Professional
Reporter and Notary Public in and for the
Commonwealth of Pennsylvania.

- - -

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EXHIBITS				DEPOSITION SUPPORT INDEX
NO. DESCRIPTION	PAGE			
Hughes-1				
Monthly Asbestos Litigation				
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Hughes-2				Direction to Witness Not to Answer:
Letter dated 3/27/01 to				Page Line Page Line
Allan McGarvey from Terry				408 22
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Trust Distribution Procedures	211			
Hughes-4				Request for Production of Documents:
Documents bearing Bates stamps				Page Line Page Line
GCO 000023 through 000026	242			NONE
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Hughes-6				Stipulations:
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EXHIBITS (continued)				PROCEEDINGS
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Hughes-10				
Documents bearing Bates stamps				MR. LEWIS: Federal rules.
GCO 000207 through 000215	282			
Hughes-11				
Letter dated 4/25/09 to Counsel				JAY W. HUGHES, JR., ESQUIRE,
from Barbara Harding with				after having been first duly
attachment	296			sworn, was examined and testified
Hughes-12				as follows:
Exhibit 6 to Exhibit Book				
Asbestos Insurance Transfer				
Agreement	299			
Hughes-13				EXAMINATION
Document bearing Bates stamp				
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Hughes-14				BY MR. LEWIS:
Documents bearing Bates stamps				Q. Good morning, Mr. Hughes.
GCO 000199 through 000200	367			My name is Tom Lewis. We met sometime
Hughes-15				ago when we were negotiating on some
Exhibit 5 to Exhibit Book				settlements out of Libby, Montana.
Schedule of Settled Asbestos				Do you recall that?
Insurers Entitled to 524(g)				A. Yes, I do.
Protection	479			Q. What's your full name?
				A. Jay, J-A-Y, W. Hughes, Jr.
				Q. Who is your employer?
				A. W.R. Grace & Company.
				Q. And what is your position

<p style="text-align: right;">Page 14</p> <p>with W.R. Grace?</p> <p>A. I am a senior litigation counsel in the legal department.</p> <p>Q. How long have you held that position?</p> <p>A. I have had that title probably since 1991.</p> <p>Q. When asbestos claims began accumulating against Grace in the '80s and '90s right up until the time of the bankruptcy, what was your role with respect to those claims?</p> <p>A. I was responsible for the day-to-day management and resolution of the asbestos personal injury claims filed against the company.</p> <p>Q. Who was your -- or who were your supervisors at that time, your direct reports?</p> <p>A. Since 1991, my supervisor was the general counsel, Bob Beber. Bob retired in 1998. In 1998, David Siegel became general counsel. I reported to Dave. Dave retired in -- well, it was</p>	<p style="text-align: right;">Page 16</p> <p>Q. Were you involved with resolution disputes with insurers during your time as senior litigation counsel assigned to the asbestos claims?</p> <p>A. Yes.</p> <p>Q. How would you describe your role in those insurance dispute resolutions, by settlement, I assume, primarily, right? That's a compound question.</p> <p>MS. HARDING: Object to form.</p> <p>MR. LEWIS: I will rephrase the question.</p> <p>BY MR. LEWIS:</p> <p>Q. How were you involved in resolving the disputes with the insurance companies?</p> <p>A. Well, my primary role involved what I would refer to as post-settlement or post-resolution disputes with insurance carriers. I wasn't directly involved, although I was obviously consulted because of my</p>
<p style="text-align: right;">Page 15</p> <p>after bankruptcy -- in 2005. Mark Shelnitz became general counsel. And at some point after Shelnitz became the general counsel, Richard Finke became assistant general counsel for litigation, and I reported to Richard since then.</p> <p>Q. We have taken the deposition of Mr. Finke. What documents have you reviewed to prepare to testify in this 30(b)(6) deposition?</p> <p>A. I've reviewed the deposition transcripts of Mr. Finke, of Mr. Posner, and I have taken a look at the Trust Distribution Procedures, the Trust Agreement, and some other insurance agreements, just to kind of refresh my recollection about the issues that I am testifying about.</p> <p>Q. Have you reviewed any written communications between insurers and Grace relating to resolution of disputes with insurance carriers in preparation for this deposition?</p> <p>A. No.</p>	<p style="text-align: right;">Page 17</p> <p>involvement in the underlying asbestos personal injury cases. I wasn't generally involved in the coverage litigation between Grace and coverage disputes and the insurance carriers.</p> <p>I have had a much greater involvement in certain disputes that arose based on what I would call the kind of execution and implementation of the insurance and agreements and settlement agreements and coverage in place agreements and reimbursement agreements.</p> <p>MS. HARDING: Wait one second. To everybody that's on the phone, could everybody please mute their lines while the questioning is going on here in the room. We hear a lot of rustling and talking and things. So please put your phones on mute. Thank you.</p> <p>MS. ALCABES: Barbara, if the witness could speak up a little bit, it would be helpful,</p>

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1 too. Thanks.	1 things to the Libby counsel that it 2 involved when we became involved in this 3 case was the way insurance was --
2 MS. HARDING: The witness is 3 talking pretty loudly, so there is 4 not a whole lot we can do about 5 that. Sorry.	4 MR. SCHIAVONI: Objection to 5 form.
6 MR. LEWIS: Can you hear me?	6 MS. HARDING: He didn't ask 7 a question.
7 MS. ALCABES: Yes.	8 MR. LEWIS: Let me finish 9 the question.
8 MR. LONGOSZ: Yes.	10 MR. SCHIAVONI: I wanted to 11 give you a chance to start over.
9 MS. HARDING: All right.	12 MR. LEWIS: What did you 13 say, sir?
10 Thank you.	14 MR. SCHIAVONI: I was giving 15 you an opportunity to start over.
11 BY MR. LEWIS:	16 MR. LEWIS: Just let me 17 complete my question. My question 18 is going to be pretty benign. I 19 just want to get this witness to 20 another subject. And you can make 21 your objection, and we will 22 proceed.
12 Q. Did you review your prior 13 depositions or testimony relating to the 14 Grace bankruptcy to prepare for this 15 deposition?	23 BY MR. LEWIS: 24 Q. When we got in the case, we
16 A. Yes, I did.	
17 Q. How many times have you been 18 deposed with respect to the bankruptcy, 19 once?	
20 A. Twice before today.	
21 Q. Okay. I have one 22 deposition. Where were you deposed the 23 first time?	
24 A. The first time I was deposed	
Page 19	Page 21
1 in the fraudulent conveyance lawsuit, 2 which was an adversary proceeding, I 3 believe, in the bankruptcy, and that took 4 place in 2002. And then I was deposed in 5 2007 in connection with the personal 6 injury estimation trial.	1 made interrogatory requests early on in 2 all of our cases, inquiring as to whether 3 there was liability insurance available 4 to Grace to resolve these claims, and the 5 answer we got was generally, don't worry 6 about it, we have got enough money, you 7 don't need to know about insurance. And 8 no insurance information was provided.
7 Q. Did you testify on behalf of 8 Grace in the estimation trial?	9 MR. SCHIAVONI: Objection. 10 MR. LEWIS: I am not done.
9 A. No, I didn't.	11 Okay.
10 Q. Well, I don't want to cover 11 that. I have been through that 12 deposition.	12 MR. SCHIAVONI: You are 13 giving a speech. You are not 14 asking a question.
13 And I think what you are 14 referring to when you talk about 15 post-settlement disputes, just generally, 16 you were talking about arranging for 17 audits, reporting to settled insurers, 18 and this sort of thing; is that generally 19 correct?	15 BY MR. LEWIS: 16 Q. Do you recall that sort of 17 response early on?
20 A. Yes, documenting settlements 21 and issues that arose in terms of Grace's 22 documentation of payment, in terms of 23 reimbursements under the agreement.	18 MS. HARDING: Object to 19 form. I would have to -- 20 MR. SCHIAVONI: Object to 21 form. 22 THE WITNESS: I would have 23 to see a response. I am familiar 24 with our discovery responses
24 Q. One of the interesting	

<p style="text-align: right;">Page 26</p> <p>1 MS. HARDING: I am not 2 telling him not to answer. I am 3 just stating my objection. 4 MR. LEWIS: Thank you. Are 5 you done? 6 MS. HARDING: Yes. 7 MR. SCHIAVONI: Counsel, you 8 are asking for a legal conclusion, 9 point-blank. It's obvious. You 10 can certainly say otherwise, but 11 that's what you are asking for. 12 We object. And stop making 13 speeches. Just answer [sic] 14 questions. 15 MR. LEWIS: I think you 16 should keep your composure and not 17 get so upset, Counsel. I am going 18 to conduct this deposition. You 19 can object, and we will proceed. 20 Okay? 21 All right. Read back the 22 last question, please. 23 (The reporter read from the 24 record as requested.)</p>	<p style="text-align: right;">Page 28</p> <p>1 THE WITNESS: Yes. 2 BY MR. LEWIS: 3 Q. For example, you settle 4 cases in a multitude of states, correct? 5 A. Yes. 6 MS. HARDING: Just object to 7 form in terms of you. 8 But go ahead. 9 BY MR. LEWIS: 10 Q. When I say "you," I am 11 referring to you on behalf of Grace. 12 If you want me to use Grace, 13 I will use Grace. Would that be better? 14 I will use Grace if that bothers you so 15 much.</p> <p style="background-color: #c0e0c0; border: 1px solid black; padding: 5px;"> 16 Were you mindful of what 17 jurisdiction or even venue you were in 18 when you evaluated cases for settlement? 19 A. Yes. 20 Q. And why is that? 21 A. Well, I think there 22 obviously can be legal distinctions in 23 terms of the law with respect to personal 24 injury cases that would be relevant to </p> <p style="text-align: right;">Page 29</p> <p>1 BY MR. LEWIS: 2 Q. With that preface -- 3 MR. SCHIAVONI: I object. 4 If you are going to incorporate 5 your statements about the law in 6 questions, it's just 7 objectionable. And you are a very 8 experienced trial lawyer. You 9 know that. You know better. 10 Objection to form. 11 MR. LEWIS: Are you finished 12 with your objection? 13 Okay. 14 BY MR. LEWIS: 15 Q. With that preface and 16 acknowledging your objection, was it 17 important to you in your role in settling 18 these cases that you have a passing 19 knowledge of the laws of the various 20 states in which the cases were brought? 21 MS. HARDING: Object to 22 form. 23 MR. SCHIAVONI: Objection to 24 form.</p> <p style="background-color: #c0e0c0; border: 1px solid black; padding: 5px;"> 1 the value of the case. And also there 2 are differences in historical verdicts, 3 the amount of the verdicts in a case, so 4 the jurisdiction would be relevant there 5 as well. 6 Q. For example, whether there 7 is joint and several liability in a state 8 or not might impact your valuation of the 9 settlement; is that true? 10 A. Yes. 11 Q. What factors did you 12 consider in evaluating a case for 13 settlement? 14 A. Well, I think I have 15 testified in both of my prior depositions 16 in this case in a fairly detailed manner 17 on that question. 18 But I think the same types 19 of factors that any individual involved 20 in resolving asbestos cases, specifically 21 in personal injury cases, generally the 22 quality of the evidence in terms of the 23 exposure of the particular plaintiff to 24 Grace's products, the particular </p>
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<p style="text-align: right;">Page 30</p> <p>1 individual in terms of his age, the 2 seriousness of the disease. In the 3 asbestos arena, there is a distinction 4 between, say, lung cancer and 5 mesothelioma. Primarily it is due to the 6 fact that lung cancer, there are 7 established alternative causes to it. 8 And those are -- that's kind of an 9 overview.</p> <p>Q. Would the nature and extent of the exposure in most cases be of paramount importance to you in evaluating a case for settlement?</p> <p>MS. HARDING: Object to form.</p> <p>THE WITNESS: I don't know if it would be paramount importance, but I think that certainly the evidence of exposure to Grace products was something that was one of the primary issues in terms of evaluating the case against Grace and what it might be worth.</p>	<p>1 in terms of the percentage of asbestos in the products, they were overwhelmingly chrysotile. The only other asbestos that would have been involved would have been that which was incidental to the vermiculite, if it originated from Libby.</p> <p>BY MR. LEWIS:</p> <p>Q. Was there any other source amphibole asbestos besides the asbestos that contaminated the vermiculite in Libby and products manufactured by Grace?</p> <p>MR. SCHIAVONI: Objection, no foundation, speculation.</p> <p>THE WITNESS: It's fairly well-known that chrysotile deposits in Quebec, I believe, and other parts of the world may have some tremolite contamination as well. Besides that, I would say only the vermiculite and the potential for -- Libby vermiculite and the potential for Libby</p>
<p style="text-align: right;">Page 31</p> <p>1 BY MR. LEWIS:</p> <p>Q. What percentage of the cases, if you know, that are claims that were brought against Grace were primarily Monokote exposure cases?</p> <p>MS. HARDING: Object to form, foundation, and overly broad.</p> <p>But if you can answer, go ahead.</p> <p>THE WITNESS: I couldn't give a specific percentage, but a substantial portion of the cases historically involved exposures to Monokote 3 and other products to which a commercially chrysotile asbestos had been added commercially.</p> <p>BY MR. LEWIS:</p> <p>Q. Do you consider the Monokote cases as primarily chrysotile cases?</p> <p>MS. HARDING: Object to form.</p> <p>THE WITNESS: I think that</p>	<p>1 amphibole.</p> <p>BY MR. LEWIS:</p> <p>Q. So if I suggested that most amphibole asbestos used in Grace products came from Libby, would you agree or not agree with that?</p> <p>MS. HARDING: Just object to form.</p> <p>You can answer.</p> <p>THE WITNESS: I don't have a basis for agreeing because I don't have --</p> <p>MR. SCHIAVONI: Objection, calls for speculation, no foundation.</p> <p>MR. LEWIS: I think he was saying that, Counsel. But don't interrupt the witness again. You can make your objections, but don't interrupt the witness. I don't interrupt the witness. Let's have some decorum here.</p> <p>Would you like to finish your answer, sir?</p>

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1 MR. SCHIAVONI: I think he
 2 just acknowledged that the
 3 question called for speculation.
 4

5 MR. LEWIS: I think he did,
 6 but allow him to answer. That was
 7 a foundational question.

8 THE WITNESS: I said I don't
 9 know enough about the issue of
 10 contamination -- amphibole
 11 contamination in chrysotile to
 12 answer that question.

13 BY MR. LEWIS:

14 **Q. Fair enough.**

15 **Do you have enough
 16 understanding of the asbestos that was
 17 generated from Grace's and Zonolite's
 operations in Libby was amphibole?**

18 MS. HARDING: Object to
 19 form, generated.

20 But go ahead.

21 THE WITNESS: Yes.

22 BY MR. LEWIS:

23 **Q. Was it all amphibole as far
 24 as you know?**

1 THE WITNESS: But that's not
 2 what I meant by nature of the
 3 exposure. By nature of the
 4 exposure I meant the extent, the
 5 duration of the exposure and the
 6 extent to which the activity that
 7 was involved in terms of was the
 8 individual applying our product,
 9 was he working in a work space
 10 where someone else was applying
 11 it, did they mix our product.
 12 That's what I am talking about,
 13 the kind of factors that an
 14 industrial hygienist would use in
 15 assessing the nature of the
 16 exposure and the risk to the
 17 worker, who was the plaintiff.

18 BY MR. LEWIS:

19 **Q. Another factor you talked
 20 about was the quality of the evidence.
 21 What did you mean by that?**

22 A. What I meant is that if
 23 there were -- in a typical asbestos
 24 personal injury case, you might have

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1 MS. HARDING: Object to
 2 form.

3 MR. SCHIAVONI: No
 4 foundation, calls for speculation.
 5 We have a lawyer testifying here,
 6 not a fact witness from Libby or a
 7 scientist or anything else.

8 MR. LEWIS: Go ahead and
 9 answer.

10 THE WITNESS: Well, I was
 11 going to start by saying what
 12 counsel down the table just said.

13 But my understanding is
 14 amphibole, but I am not a
 15 mineralogist and I don't have that
 16 kind of expertise.

17 BY MR. LEWIS:

18 **Q. Yes, but one of the things
 19 that you said was important and a factor
 20 in evaluating a claim was the nature of
 21 the exposure, correct?**

22 MS. HARDING: Object to
 23 form.

24 Go ahead.

1 coworkers who said a Monokote product
 2 and/or Zonolite product was present at
 3 this work site. And if the individual
 4 again, if the plaintiff himself recalled
 5 it and accurately described it in
 6 deposition testimony, that, in my
 7 opinion, would be better evidence and
 8 would be more persuasive to a jury than
 9 if a coworker who had no personal
 10 relationship with or didn't work
 11 alongside the plaintiff gave the same
 12 kind of testimony and it was an indirect
 13 connection between that.

14 And also there was
 15 documentary evidence. If we had evidence
 16 in our files that our product was used at
 17 a particular building at a particular
 18 time period, then I would consider that
 19 higher quality evidence than if we had no
 20 documents, which was often the case, no
 21 documents actually which showed shipments
 22 or sale of our product for installation
 23 in a particular building and an
 24 individual coworker or person at the

<p style="text-align: right;">Page 38</p> <p>1 site, sometimes somebody who wasn't even 2 involved in the application of the 3 product, testified about it.</p> <p>4 Q. Have you ever been to Libby? 5 A. Yes, I have.</p> <p>6 Q. How many times did you go 7 there? 8 A. I have been there twice.</p> <p>9 Q. Did you go up to the mine? 10 A. No, I haven't been to the 11 mine. It was closed.</p> <p>12 Q. Have you ever reviewed 13 documents concerning the kinds of 14 exposures at Libby? 15 A. Yes, I have.</p> <p>16 Q. Libby claims did not involve 17 products claims; is that correct? 18 MS. HARDING: Object to 19 form. 20 MR. SCHIAVONI: Objection, 21 calls for a legal conclusion, 22 overly broad. 23 MS. HARDING: And it's 24 overly broad.</p>	<p style="text-align: right;">Page 40</p> <p>1 to form and let the witness 2 answer. 3 MR. LEWIS: The witness 4 knows exactly what I am asking 5 about here. 6 MS. HARDING: I don't know 7 that the witness knows what you 8 are talking about. 9 MR. SCHIAVONI: Are you 10 contending that all the policies 11 have same definitions for products 12 in asking this question? Because 13 when you say the witness 14 understands, I mean, you seem to 15 be coaching the witness. Is that 16 your contention, that every policy 17 has the same definition for 18 products? 19 MR. LEWIS: I am not even 20 referring to policies here, sir. 21 I am referring to common law, tort 22 law. Okay. Those kinds -- the 23 distinction is between products 24 claims --</p>
<p style="text-align: right;">Page 39</p> <p>1 MR. LIESEMER: I join in the 2 objection. 3 MR. SCHIAVONI: Lacks 4 foundation, overly ambiguous. 5 MR. LEWIS: Do you want the 6 question read back or do you 7 remember? 8 THE WITNESS: You should 9 probably read it back. 10 MR. LEWIS: I will just 11 restate it. 12 BY MR. LEWIS: 13 Q. Did Libby claims involve 14 products claims? 15 MS. HARDING: I am just 16 going to object to form in terms 17 of Libby claims. There is a wide 18 variety of Libby claims and a wide 19 variety of people. I don't 20 know -- 21 MR. LEWIS: Do you want me 22 to define Libby claims? That's 23 fine. 24 MS. HARDING: I will object</p>	<p style="text-align: right;">Page 41</p> <p>1 MR. SCHIAVONI: And what? 2 MR. LEWIS: -- injuries that 3 result from exposures to products 4 as opposed to injury in Libby that 5 related to exposure to the mining 6 and manufacturing of products or 7 sub-products. So I am not talking 8 about insurance policies right 9 here right now. I will later. 10 MR. JACOB COHN: If there is 11 a question, I object to the form. 12 MS. HARDING: I just object 13 to the form, and I think you can 14 answer. Did we get the question 15 back yet? 16 MR. LEWIS: I might take 17 eight hours here today if we keep 18 doing this. 19 MS. HARDING: Well, I don't 20 want to take eight hours, but I do 21 want to make sure the witness 22 understands the question. 23 MS. DeCRISTOFARO: And I 24 join.</p>

Page 54	Page 56
1 A. The McDonald study, Amanda 2 study, 1986. 3 Q. Do you believe that the 4 exposures at the dry mill were 5 substantially similar to the exposures to 6 Monokote 3 on construction sites?	1 MS. HARDING: Grace has 2 already made its objections, and 3 the witness can answer to the 4 extent that -- 5 THE WITNESS: Again, I am 6 not an industrial hygienist, and I 7 really -- having my opinion on 8 whether they are quote/unquote 9 substantially similar, I don't 10 think I can do that.
11 MS. HARDING: Object to form 12 and foundation. This witness is 13 not an expert, and I think it's an 14 improper question to ask this 15 witness. 16 But you can answer. 17 MR. LIESEMER: Object to the 18 form of the question. 19 MR. SCHIAVONI: On a more 20 fundamental basis, this witness is 21 a 30(b)(6) witness. He is not an 22 expert; he is not a fact witness. 23 And this is not a topic that is 24 designated. 25 MR. LEWIS: Yes, it is. 26 MR. SCHIAVONI: Really? 27 Which one? 28 MR. LEWIS: Just look a	12 They both involve asbestos 13 exposures. I have described in my 14 earlier testimony the conditions 15 were different, that one involved 16 the spray application of a 17 finished product at the 18 construction site, the Libby 19 exposures involved working at a 20 mine and mill operation. And the 21 data that does exist is available, 22 and I would rather rely on the 23 data that's available. And I 24 don't have that in front of me.
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1 them, Counsel. I am not going to 2 answer your questions. I don't 3 have to answer to you. You make 4 your objections on the record, and 5 we will proceed. Or otherwise we 6 will be here forever. 7 MR. SCHIAVONI: If you can't 8 identify it -- 9 MS. HARDING: Let's just 10 answer. I don't think he can 11 answer, but go ahead. 12 MR. LEWIS: Do you want to 13 the question read back? Let's 14 read the question back so he can 15 get a complete record. 16 (The reporter read from the 17 record as requested.) 18 MR. SCHIAVONI: I object to 19 form, and I object to Grace 20 offering this testimony. It's not 21 designated as corporate testimony. 22 If that's what Grace is going to 23 do, then you have my objection on 24 the record.	1 Q. Do you recall when we 2 started this deposition that I asked you 3 to testify in the role of senior 4 litigation counsel, settling asbestos 5 claims? 6 A. Yes. 7 Q. We talked about that. 8 Do you agree that to perform 9 that role well for your employer, you had 10 to know something about asbestos 11 exposure? 12 A. Absolutely. 13 MS. HARDING: Object to 14 form. 15 Go ahead. 16 BY MR. LEWIS: 17 Q. And you differentiated -- 18 let me withdraw that question. 19 In every case that you 20 looked at as an individual case, would 21 the nature and extent of the exposure be 22 fundamental to your evaluation of the 23 case? 24 MS. HARDING: Objection to

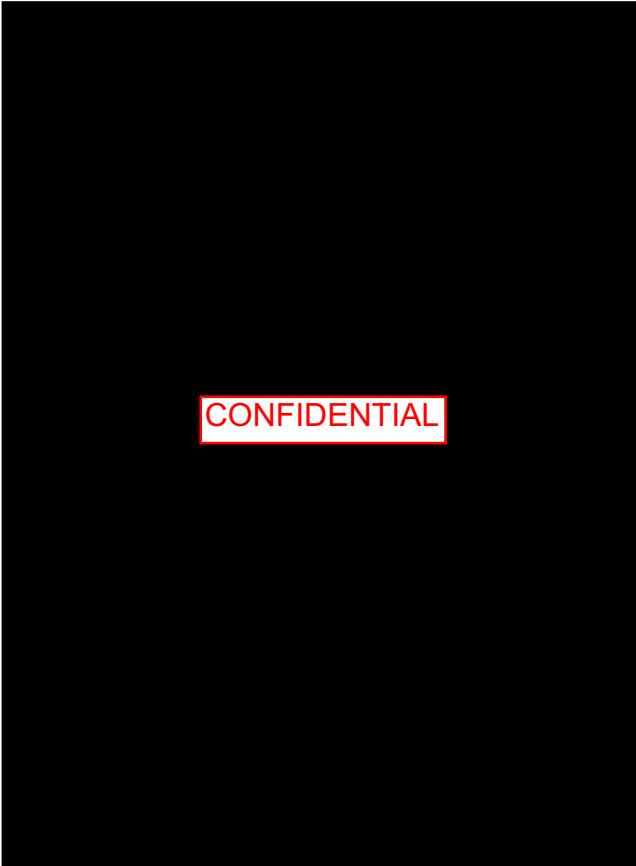
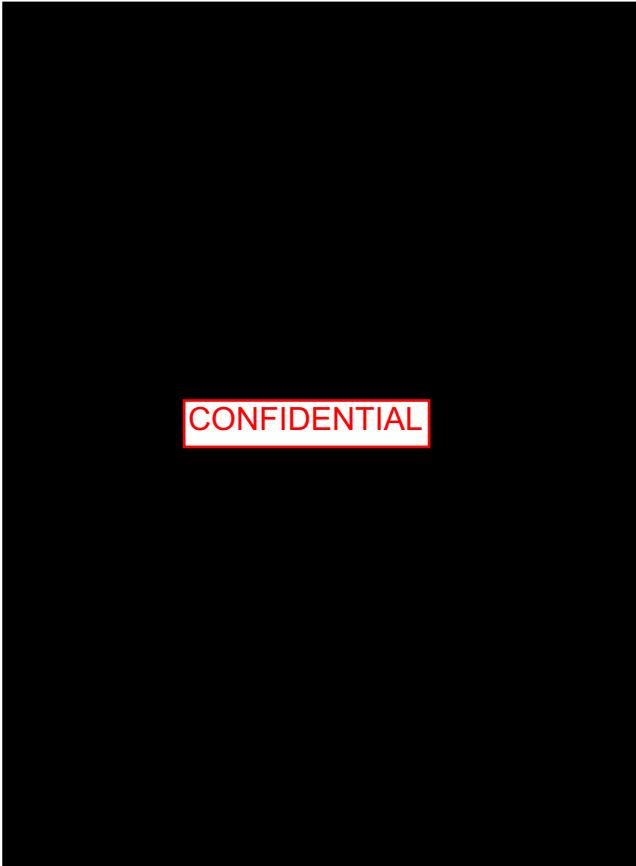
1 form. 2 THE WITNESS: Yes. 3 BY MR. LEWIS: 4 Q. The Libby cases were largely 5 settled on a case-by-case basis, correct? 6 MS. HARDING: Object to 7 Libby cases. It's overly broad. 8 But go ahead. 9 THE WITNESS: Yes. 10 BY MR. LEWIS: 11 Q. Again, I am talking about 12 Libby cases, as you earlier defined them, 13 correct? 14 A. Yes. 15 MS. HARDING: Who defined 16 them? 17 MR. LEWIS: He agreed that 18 we were talking about Libby cases, 19 we were talking about cases that 20 arose in Lincoln County, and he's 21 testified that they were not -- 22 that they were manufactured -- 23 they were exposure cases different 24 from Monokote exposures in the	Page 58	1 five to ten cases. 2 BY MR. LEWIS: 3 Q. Was that with the Heberling 4 firm? 5 A. Yes. 6 Q. There were other settlements 7 where you settled cases, 10,000 claims at 8 a time, correct? 9 A. Yes. Not Libby cases. 10 Cases in other parts of the country 11 involving exposures to finished products. 12 Q. Right. 13 In those cases where you 14 settled them 10,000 at a time or several 15 thousand at a time, did you evaluate the 16 quality of evidence for each individual 17 claim in those cases? 18 MS. HARDING: Object to 19 form. 20 THE WITNESS: Generally, the 21 agreement set forth specific 22 requirements for a case, 23 qualifying materials, and we 24 reviewed, individually reviewed	Page 60
1 sense -- and that's what I am 2 asking about. 3 MS. HARDING: Okay. I 4 object to the form. I think the 5 terminology of "Libby cases" is 6 overly broad. 7 But go ahead. 8 MR. SCHIAVONI: Can you just 9 add to that those are a 10 pre-petition cases, right? 11 MR. LEWIS: Please answer 12 the question. 13 MR. SCHIAVONI: Objection to 14 form, overly broad. 15 MS. DeCRISTOFARO: I join. 16 THE WITNESS: Prior to 17 bankruptcy, the cases in Libby 18 involving Libby employees and 19 family members that were settled 20 generally were settled 21 individually, although in the 22 period of time just prior to the 23 bankruptcy, there were cases that 24 were settled in small groups of	Page 59	1 the qualifying materials that were 2 submitted for each case before the 3 case was settled. 4 I have testified about this 5 and how those settlement 6 agreements or inventory 7 settlements worked in both of my 8 prior depositions in this case. 9 BY MR. LEWIS: 10 Q. Did you evaluate the 11 exposure for each individual claim? 12 A. Exposure -- 13 MS. HARDING: Object to 14 form, and I am just going to 15 not -- I am not going to instruct 16 the witness not to answer, but he 17 has had prior deposition testimony 18 on how these cases were settled. 19 And counsel has indicated that you 20 have reviewed those transcripts, 21 so I just would request that we 22 try not to repeat the same 23 questions that were asked 24 previously since the witness has	Page 61

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<p>1 already testified so we can try to 2 get through this today. I am not 3 going to -- with that, I am just 4 making a request.</p> <p>5 MR. LEWIS: Could you read 6 back the question, please?</p> <p>7 (The reporter read from the 8 record as requested.)</p> <p>9 THE WITNESS: Well, the 10 qualifying materials that were 11 required under the settlement 12 agreements generally included 13 evidence of exposure, and that 14 would have been evaluated before 15 the settlement was made.</p> <p>16 BY MR. LEWIS:</p> <p>17 Q. As I recall your testimony, 18 you were highly critical of the nature of 19 evidence of exposure in most products 20 cases; is that true?</p>	<p>1 who are experts in the area, a lot 2 this evidence seemed inconsistent 3 with it.</p> <p>4 BY MR. LEWIS: 5 Q. It was inconsistent with 6 your own documents relating to where your 7 asbestos was located or Grace's asbestos 8 was located, correct?</p> <p>9 MS. HARDING: Object to 10 form.</p> <p>11 THE WITNESS: I don't know 12 if it was inconsistent because we 13 unfortunately didn't have a 14 complete set of documents which 15 would have told us where our 16 products were located.</p> <p>17 It was often inconsistent 18 with what we knew about our 19 products and how they were used 20 and, you know, the product 21 formulas and the type of material 22 and the conditions that were being 23 used, they were being applied 24 under.</p>
Page 63	Page 65
<p>1 exposure evidence in many cases 2 historically that were being filed 3 in the period from -- well, 4 throughout the period of the 5 asbestos litigation, but 6 specifically in the late '90s and 7 early 2000.</p> <p>8 BY MR. LEWIS:</p> <p>9 Q. Did you feel that 10 plaintiffs' counsel were inventing 11 evidence for their clients?</p> <p>12 MS. HARDING: Object to 13 form.</p> <p>14 MR. LIESEMER: Object to 15 form.</p> <p>16 THE WITNESS: Inventing 17 evidence implies something that -- 18 I questioned the validity of the 19 process through which the evidence 20 was created. Whether it's 21 invented, I don't know. But there 22 are people's memories, and the way 23 memory works, in my experience as 24 a human being and also from people</p>	<p>1 BY MR. LEWIS: 2 Q. Okay. In the Finch 3 deposition that I read, I could not 4 understand how you went through the 5 information submitted for each claimant 6 in this inventory or mass settlements, I 7 would call them. 8 Did you do that 9 post-settlement or pre-settlement? 10 A. Post-settlement -- 11 MS. HARDING: Object to 12 form. 13 THE WITNESS: -- generally. 14 BY MR. LEWIS: 15 Q. So if you settled 10,000 16 cases for \$50 million, as you did in one 17 case, does that mean that you paid the 18 \$50 million regardless of whether there 19 was proof, actual proof, in each 20 individual case? 21 MR. JACOB COHN: Object to 22 form. 23 MS. HARDING: Object to 24 form.</p>

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<p>1 THE WITNESS: We paid them 2 50 million -- it varied from 3 settlement to settlement, quite 4 frankly. In certain situations, 5 we paid the money, but the 6 authority for the attorneys 7 representing the claimants to 8 release the money and pay the 9 money was subject to receiving 10 communications from us that the 11 qualifying materials met the 12 requirements of the agreement.</p> <p>13 BY MR. LEWIS:</p> <p>14 Q. In any one of those 15 settlements, did Grace ever reject the 16 proof offer to support the individual 17 claims post settlement?</p> <p>18 A. Yes.</p> <p>19 Q. How many times did that 20 happen?</p> <p>21 MS. HARDING: Object to 22 form.</p> <p>23 THE WITNESS: It happened 24 more times than I could -- it</p>	<p>1 process in place. 2 And, again, I am -- and I 3 think as I have testified in the past, 4 there was a process was in place, and I 5 was confident that in the process that we 6 had in place was reviewing the qualifying 7 materials and we were paying places only 8 where they had submitted qualifying 9 materials consistent with the agreement. 10 I think my opinion as to the 11 relative credibility of some of the 12 qualifying materials, both medical and 13 exposure, I have testified before and 14 that is --</p> <p>15 Q. You have so testified. I am 16 not going to get into that.</p> <p>17 A. Okay.</p> <p>18 Q. Do you recall the case, the 19 specific case where you settled 10,000 20 claims for \$50 million, the firm you 21 settled with?</p> <p>22 A. I believe it was Baron & 23 Budd.</p> <p>24 Q. Were those 10,000 claims</p>
Page 67	Page 69
<p>1 happened on a fairly regular 2 basis, although it wasn't a 3 substantial percentage of the 4 cases.</p> <p>5 BY MR. LEWIS:</p> <p>6 Q. So if you settle a case for 7 50 -- 10,000 claims for \$50 million, and 8 100 of those claims, for example -- I am 9 asking you to assume a hypothetical 10 here -- didn't show substantial proof of 11 exposure or disease, the proof was 12 defective in some manner, would the 13 amount allocated for those 100 claimants 14 be deducted from the settlement?</p> <p>15 A. Yes.</p> <p>16 Q. In every case?</p> <p>17 A. Not in every case, but, I 18 mean, there were other -- it's difficult 19 to say. I mean, in the administration of 20 cases like that, you could assume a 21 certain percentage of cases weren't going 22 to meet the requirements in valuing the 23 cases. There are all kinds of ways you 24 could do it, but there was definitely a</p>	<p>1 just asbestosis claims or were there 2 cancer and mesos in those claims?</p> <p>3 A. There were cancers and 4 mesos.</p> <p>5 Q. Did the settlement provide 6 that the mesos would get a different 7 amount than the asbestosis claims?</p> <p>8 A. As I recall, yes.</p> <p>9 Q. Who made the decision as to 10 who got what, how much each claimant was 11 individually paid? Did Grace have any 12 input in that?</p> <p>13 MS. HARDING: Just object to 14 the extent it calls for 15 attorney-client work product 16 information. And to the extent -- 17 I instruct the witness not to 18 answer to the extent that it calls 19 for that. To the extent that it 20 doesn't, you can answer.</p> <p>21 MR. LEWIS: I think the 22 that's a fair objection because 23 the question is not very precise. 24 I will rephrase the question.</p>

<p style="text-align: right;">Page 126</p> <p>1 MR. LEWIS: How what? I am 2 sorry. I couldn't hear that. I 3 am hard of hearing. 4 MR. SCHIAVONI: How 5 claims -- 6 MS. BAER: He's criticizing 7 my city and its ethical 8 reputation. 9 MR. LEWIS: That was a joke. 10 I get it now.</p> <p>11 BY MR. LEWIS: 12 Q. Did you study the TDP that's 13 part of the Reorganization Plan in 14 preparation for your deposition today?</p> <p>15 MS. HARDING: Object to the 16 word "study," but go ahead.</p> <p>17 THE WITNESS: Yes, I did.</p> <p>18 BY MR. LEWIS: 19 Q. You reviewed it? 20 A. I reviewed it. 21 Q. Were you part of the team 22 that helped formulate the TDP? 23 A. I reviewed --</p> <p>24 MS. HARDING: Object to</p>	<p style="text-align: right;">Page 128</p> <p>1 the process and the original 2 draft, was that either the general 3 counsel or Richard Finke asked me 4 to take a look at it for Grace. 5 BY MR. LEWIS: 6 Q. Did Grace have any 7 significant input on the TDP?</p> <p>8 MR. LIESEMER: Object to the 9 form.</p> <p>10 MS. HARDING: Object to the 11 form.</p> <p>12 THE WITNESS: I don't recall 13 whether we had any significant 14 input in terms of the draft that 15 was circulated, but we certainly 16 were given an opportunity to 17 provide comments.</p> <p>18 BY MR. LEWIS: 19 Q. What, if any, comments did 20 you provide concerning the TDP? 21 A. I don't recall. 22 Q. Who else would have reviewed 23 the TDP on behalf of Grace?</p> <p>24 MS. HARDING: Object to</p>
<p>1 form.</p> <p>2 THE WITNESS: -- it on 3 behalf of Grace at the request of 4 the general counsel when it was 5 being distributed among the Plan 6 proponents, but I wouldn't say 7 that I was involved in drafting 8 it. That was something that was 9 done by, as I recall, the Asbestos 10 Creditors Committee and the Future 11 Claimants' Representative.</p> <p>12 BY MR. LEWIS: 13 Q. I will get back to that more 14 later.</p> <p>15 So it was drafted by the 16 ACC, correct?</p> <p>17 MR. LIESEMER: Object to 18 form.</p> <p>19 MR. SCHIAVONI: Object.</p> <p>20 MS. HARDING: Object to form 21 in terms of foundation.</p> <p>22 THE WITNESS: That's my 23 understanding, but, again, my 24 involvement was that while after</p>	<p style="text-align: right;">Page 129</p> <p>1 foundation.</p> <p>2 MR. LEWIS: If you know.</p> <p>3 THE WITNESS: Counsel for 4 Grace in the bankruptcy.</p> <p>5 BY MR. LEWIS: 6 Q. Do you know if counsel in 7 the bankruptcy offered any comments to 8 the ACC's proposed TDP?</p> <p>9 A. I don't recall.</p> <p>10 Q. You are identified, 11 according to the document provided by 12 your counsel, as the 30(b)(6) 13 representative on development of the TDP, 14 including negotiations, other discussions 15 between or within the Plan proponents and 16 preparation of documents, including 17 drafts.</p> <p>18 Do you have knowledge of 19 what's identified there?</p> <p>20 MS. HARDING: I am just 21 going to object, Counsel, to the 22 line of questioning in that 23 category, and the objections are 24 set out in full in the objection</p>

<p style="text-align: right;">Page 130</p> <p>1 we filed with the court. And I am 2 not going to list them all here, 3 but they are listed in that 4 category.</p> <p>5 And as we have said in other 6 depositions we listed somebody for 7 every category, noting in our 8 objections and in our 9 communications with counsel, that 10 we didn't believe that all 11 categories were proper categories 12 for inquiry in the 30(b)(6) 13 deposition, as we believe this 14 category is not.</p> <p>15 MR. LEWIS: Do you direct 16 the witness not to answer any 17 questions in this category, 18 development of the --</p> <p>19 MS. HARDING: I have allowed 20 the witness to answer, and he's 21 answered he didn't know. I just 22 wanted to note that for the record 23 to the extent that you are 24 complaining that he is not --</p>	<p style="text-align: right;">Page 132</p> <p>1 question. 2 MS. HARDING: Object to the 3 form, and I think the witness has 4 already asked and answered.</p> <p>5 THE WITNESS: I think I may 6 have participated in a phone call 7 where drafts were discussed in 8 discussions with ACC and FCR 9 representatives and Grace and 10 Grace's counsel, but I don't have 11 a specific recollection.</p> <p>12 BY MR. LEWIS:</p> <p>13 Q. Do you have any knowledge of 14 the preparation of the documents, 15 including the drafts of the TDP?</p> <p>16 A. Again, I described my 17 involvement and the knowledge I have. I 18 was provided with copies of the drafts 19 early on in the process and reviewed them 20 and advised Grace and Grace's counsel and 21 my comments based on my experience in 22 asbestos litigation. But the primary 23 drafting role was with the ACC and FCR, 24 as it probably should be.</p>
<p style="text-align: right;">Page 131</p> <p>1 MR. LEWIS: I am not 2 complaining about anything. I am 3 just asking questions.</p> <p>4 I wanted to ask more 5 questions in this area, and I was 6 asking you if you are going to 7 direct -- you are claiming 8 privilege?</p> <p>9 MS. HARDING: I am not going 10 to have a blanket objection, but I 11 wanted to remind counsel of that 12 objection. And then you can ask 13 questions, and we can go from 14 there.</p> <p>15 BY MR. LEWIS:</p> <p>16 Q. So your involvement in the 17 development of the TDP was, as you 18 described earlier? You just reviewed it, 19 correct?</p> <p>20 A. Yes, a draft.</p> <p>21 Q. Were there any negotiations 22 between you and the ACC concerning the 23 language of the TDP?</p> <p>24 MR. LIESEMER: Object to the</p>	<p style="text-align: right;">Page 133</p> <p>1 Q. Why do you say it probably 2 should be?</p> <p>3 MS. HARDING: Object to 4 form.</p> <p>5 THE WITNESS: Because their 6 constituency will ultimately be 7 the beneficiaries of the Trust.</p> <p>8 BY MR. LEWIS:</p> <p>9 Q. Because, to Grace, Grace 10 will pay the same amount under the 11 settlement regardless of how the TDP is 12 drawn, correct?</p> <p>13 MR. LIESEMER: Object to the 14 form.</p> <p>15 MS. HARDING: Object to the 16 form.</p> <p>17 THE WITNESS: I guess that's 18 probably part of it but, again, 19 the terms of their constituency, 20 the ultimate beneficiaries of the 21 Trust and the way the Trust 22 operates and the distribution 23 procedure is something that they 24 probably -- the asbestos claimants</p>

	Page 294	Page 296
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	 CONFIDENTIAL	 CONFIDENTIAL
	Page 295	Page 297
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	 CONFIDENTIAL	Insurance Company. We have just had marked as Hughes-11 a document that I would like you to take a look at and tell me if you can identify it. A. It's a letter indited April 25th, 2009 from Barbara Harding to counsel, and attached is the witness designations and topics of deposition and a listing of the designated witness based on deposition notices that have been filed in this case and the confirmation hearing. Q. Okay. And have you seen this document before today? A. I have. Q. And just so it's clear, this is a compilation of all the various topics and particular Grace witness that is prepared to testify about the subjects where his name appears, correct? A. Right. Q. Okay. You can put that aside.

<p style="text-align: right;">Page 298</p> <p>Are you generally familiar with Grace's liability insurance program?</p> <p>A. Yes.</p> <p>Q. Okay. Do you understand that Grace has various layers of insurance?</p> <p>A. Yes.</p> <p>Q. Okay. Could you describe for me your understanding of that?</p> <p>A. Well, under the period of time from, say, pre-1985 when there was asbestos insurance available, Grace would each year or -- and it would have a primary policy with CNA from 1973 through '85, Maryland Casualty before that, and that there would be additional policies, excess policies, which would provide coverage for losses or claims in the event that the aggregate limits of the primary policies were exhausted.</p> <p>And so a company like Grace would go up and buy, you know, coverage, insurance coverage for a particular year, a particular policy period, and they</p>	<p style="text-align: right;">Page 300</p> <p>1 deposition via teleconference at 2 this time.)</p> <p>3 BY MR. BROWN:</p> <p>4 Q. Mr. Hughes, you have before 5 you a document we marked as Hughes-12. 6 Can you take a few moments to familiarize 7 yourself with it?</p> <p>8 A. Sure.</p> <p>9 MS. HARDING: I am going to 10 note for the record that we 11 did designate Mr. Finke with 12 respect to the Transfer Agreement. 13 But if you want to ask prosecute 14 Hughes a question --</p> <p>15 MR. BROWN: I am not going 16 to ask him a lot about the 17 agreement. I am going to ask 18 about the attachment to the 19 agreement.</p> <p>20 MS. HARDING: I don't think 21 it changes the notation for the 22 record. But go ahead and ask him 23 questions, and to the extent he 24 can answer without speculating...</p>
<p style="text-align: right;">Page 299</p> <p>would have a primary policy. And then they would have policies above that, say, you know, at \$5 million level, \$10 million level, depending on how they assess their risk.</p> <p>Q. Okay. And you have a general familiarity with the concept of a coverage chart, correct?</p> <p>A. Yes.</p> <p>Q. Okay. And you understand that there is various layers of coverage from the primary to the umbrella and the excess above that?</p> <p>A. Yes.</p> <p>Q. And Grace, as you just testified, purchased policies in each policy year at each of those levels?</p> <p>A. Yes.</p> <p>MR. BROWN: Let me mark a second document, and this will be Hughes-12.</p> <p>(Hughes-12 marked for identification at this time.)</p> <p>(Mr. Speights re-joined the</p>	<p style="text-align: right;">Page 301</p> <p>1 BY MR. BROWN:</p> <p>2 Q. Let me start by asking you 3 whether you have seen the document marked 4 Hughes-12 before?</p> <p>5 A. I have seen the agreement 6 before.</p> <p>7 Q. Okay. Can you look at the 8 back of it, and you will note that the 9 agreement has some schedules?</p> <p>10 A. Yes.</p> <p>11 Q. I believe there are three of 12 them.</p> <p>13 Have you seen those 14 schedules before today?</p> <p>15 A. I can't say that I have seen 16 these schedules. I have seen similar 17 documents.</p> <p>18 Q. Okay. Have you seen ones 19 similar to what's been marked or what is 20 identified as Schedule 1?</p> <p>21 A. Yes.</p> <p>22 Q. Okay. In what connection 23 did you see the document that is attached 24 as Schedule 1 to Hughes-12?</p>

<p style="text-align: right;">Page 302</p> <p>1 A. Just in connection with the 2 case, in connection with, you know, my 3 involvement in asbestos litigation and 4 the coverage issues associated with it to 5 Jeff Posner and others within Grace. I 6 think I have seen this policy list 7 before.</p> <p>8 Q. Okay. Is this a document 9 that Mr. Posner prepared; do you know?</p> <p>10 A. Not specifically, no.</p> <p>11 Q. Okay. Is it a document that 12 someone at Grace prepared?</p> <p>13 A. I don't know this specific 14 version of the document, but Mr. Posner 15 certainly would be the person that if I 16 were to have undertaken the task of 17 creating this document, I would have 18 consulted with Mr. Posner.</p> <p>19 Q. Okay. Can you take a look 20 at the first page? It's a -- the 21 Schedule is a 20-page document. And you 22 will see that there are -- well, first of 23 all, what do you understand the schedule 24 generally to be?</p>	<p style="text-align: right;">Page 304</p> <p>1 the specific insurance policies. 2 Generally, you have a policy number 3 identifying which policy. And then the 4 layers, when we were talking about before 5 about the program and how you have to 6 umbrella policies and excess policies, 7 and they are layered based on the amount 8 of the coverage available for a 9 particular policy period. That 10 identifies which policy -- excuse me -- 11 which layer the particular policy is in 12 the Grace coverage block.</p> <p>13 Q. If it says primary, that's 14 the very bottom level of insurance; is 15 that correct?</p> <p>16 A. Yes.</p> <p>17 Q. And then if it has a one 18 next to it, is that the first layer 19 excess?</p> <p>20 A. First layer excess would be 21 the way I understand it.</p> <p>22 Q. And it goes up to -- the 23 highest number I thought I saw was 8 and 24 would be the highest level for any policy</p>
<p style="text-align: right;">Page 303</p> <p>1 A. The list of policies that 2 were available to Grace to pay 3 asbestos-related claims.</p> <p>4 Q. Okay. Would these be 5 policies that would have been in the part 6 of the general liability program that you 7 indicated you were generally familiar 8 with?</p> <p>9 A. Yes.</p> <p>10 Q. Okay. Can you describe for 11 me what each of the headings along the 12 top of the first page, what you 13 understand those to mean?</p> <p>14 A. Well, the policy year is the 15 year that the insurance policy covered in 16 terms of losses that occurred in the year 17 or at least triggered the insurance 18 coverage for that period of time. 19 Insurer is obviously the insurer. And 20 then insurance company that's providing 21 the coverage is obligated to provide 22 insurance for losses that triggered the 23 policy.</p> <p>24 The policy number identifies</p>	<p style="text-align: right;">Page 305</p> <p>1 year? That is the highest level of 2 excess insurance?</p> <p>3 A. That's the highest I saw.</p> <p>4 Q. Okay. Now, I think you 5 testified earlier that you were the 6 person that was primarily responsible for 7 handling the day-to-day defense of Grace 8 PI claims at least internally at Grace; 9 is that right?</p> <p>10 A. Yes.</p> <p>11 Q. Okay. And in that capacity, 12 did you have occasion to deal with 13 insurance issues?</p> <p>14 A. Yes. Again, as I have 15 described, primarily in the context of 16 Grace's obligations under insurance 17 arrangements with reimbursement or 18 coverage in place arranged. Grace had 19 obligations to insurers in making sure we 20 met those obligations and getting 21 reimbursed under the agreements.</p> <p>22 Q. Okay.</p> <p>23 A. And the policies as well, I 24 suppose.</p>

<p style="text-align: right;">Page 310</p> <p>1 to. I think it's unquestionably 2 clear that we have gone over and 3 beyond our requirements under 4 30(b)(6) in this whole process.</p> <p>5 MR. BROWN: Okay. Can I ask 6 my next question?</p> <p>7 MS. HARDING: Yes, you may. BY MR. BROWN:</p> <p>Q. Mr. Hughes, let's go to other schedules for the moment. Let's take a look at the second schedule.</p> <p>12 MS. HARDING: Again, 13 Mr. Hughes wasn't even designated 14 with respect to this schedule or 15 this exhibit, but go ahead. I am 16 happy to let him answer the 17 question.</p> <p>18 MR. BROWN: We was 19 designated as a person that would 20 be produced on insurance issues. 21 There are nine topics on that 22 chart that had his name next to 23 it. We don't need to quarrel 24 about it. If he doesn't know the</p>	<p style="text-align: right;">Page 312</p> <p>1 Q. All right. Let's go back to 2 Schedule 1 and specifically page 7 of 3 Schedule 1.</p> <p>4 A. Okay.</p> <p>5 Q. And you heard me when I 6 introduced myself that one of my clients 7 is GEICO. You will see in the middle of 8 the page that there are three policies 9 for GEICO listed on page 7. 10 Do you see those?</p> <p>11 A. Yes.</p> <p>12 Q. Okay. Did Grace to your 13 knowledge have any settlement with GEICO?</p> <p>14 A. Not to my knowledge.</p> <p>15 Q. Okay. Let's go a little bit 16 further on to page 16. Another one of 17 the companies that I indicated I 18 represent is Republic, and you will see 19 toward the top of that page there are two 20 policies listed for Republic. 21 To your knowledge, did Grace 22 have any settlements with Republic 23 Insurance Company?</p> <p>24 A. Again, I am familiar with</p>
<p style="text-align: right;">Page 311</p> <p>1 answer, fine.</p> <p>2 BY MR. BROWN:</p> <p>Q. Mr. Hughes, my question with 3 respect to Schedule 2 of Hughes-12 is, do 4 you understand what the schedule 5 reflects?</p> <p>6 A. Yes.</p> <p>Q. What is that?</p> <p>7 A. It's a list of the insurance 8 settlement agreements -- settlement 9 agreements which resolved coverage 10 disputes with liability insurers that 11 provided Grace with insurance coverage 12 for asbestos-related personal injury and 13 property damage claims and the dates of 14 those agreements.</p> <p>Q. If you could take a look at 15 Schedule 3, which is a couple pages 16 along, do you have an understanding of 17 what is reflected on Schedule 3?</p> <p>18 A. It's a similar list of 19 insurers where we have what's 20 characterized here as a asbestos 21 reimbursement agreements.</p>	<p style="text-align: right;">Page 313</p> <p>1 and maintain a list in my office because 2 of my involvement in terms of what -- I 3 don't know and don't recall specifically 4 an agreement with Republic.</p> <p>5 But the other issue, of 6 course, when you come with insurance 7 companies is kind of the changing 8 landscape of who they are. But I don't 9 specifically recall Republic Insurance. 10 I think there are over 60 or 70 11 agreements, settlement agreements with 12 different kinds.</p> <p>Q. Would you agree with me that 13 Republic Insurance Company does not 14 appear on either Schedule 3 -- excuse me 15 -- either 2 or 3?</p> <p>16 A. No.</p> <p>Q. Does that help refresh your 17 recollection as to whether Grace had --</p> <p>18 MR. LEWIS: That sounds like 19 a double negative. I don't know 20 that the record is clear on that.</p> <p>MR. SCHIAVONI: 21 No, he doesn't agree or not?</p>

<p style="text-align: right;">Page 314</p> <p>1 MR. LEWIS: Can you read it 2 back? I might have muddled it. 3 (The reporter read from the 4 record as requested.) 5 THE WITNESS: I agree that 6 it's correct.</p> <p>7 BY MR. BROWN:</p> <p>8 Q. We were talking about 9 Republic. Why don't we try to fix that.</p> <p>10 I am correct, am I right 11 knot that Republic Insurance Company does 12 not appear on Schedule 2 or 3?</p> <p>13 A. Yes, you are correct. It 14 does not appear on Schedule 2 or 3.</p> <p>15 Q. Does that refresh your 16 recollection as to whether Grace had a 17 settlement agreement with Republic?</p> <p>18 A. I have no recollection that 19 it does, and since it doesn't appear on 2 20 and 3 and my understanding is 2 and 3 are 21 accurate, then I would say my 22 understanding would be no, that there is 23 no settlement agreement with Republic.</p> <p>24 Q. Okay. You indicated at the</p>	<p style="text-align: right;">Page 316</p> <p>1 question, go ahead.</p> <p>2 THE WITNESS: Well, to 3 provide insurance coverage and to 4 provide indemnity payments when 5 the underlying policies under the 6 terms of the insurance contract. 7 If a loss covered within the scope 8 of the coverage provided to the 9 insured and that the underlying 10 policies have been exhausted, that 11 it would trigger an obligation on 12 the part of the excess insurer to 13 pay the claim, again, in a manner 14 consistent with the insurance 15 policy.</p> <p>16 BY MR. BROWN:</p> <p>17 Q. Okay. And just following up 18 on that latter phrase at the end of your 19 answer, do you understand generally -- 20 and I understand that it may be different 21 from policy to policy. But do you 22 understand generally that the insurer has 23 a duty to cooperate with the excess 24 insurer?</p>
<p>1 outset that you were generally familiar 2 with Grace's insurance program.</p> <p>3 Are you generally familiar 4 with the rights and duties of the 5 insured, on the one hand, and the 6 insurer, on the other, under an excess 7 policy?</p>	<p style="text-align: right;">Page 315</p> <p>1 MS. HARDING: Object to 2 form. Again, same objection.</p> <p>3 THE WITNESS: I know 4 generally that in terms of 5 insurance policies, an insured has 6 a duty to cooperate.</p> <p>7 BY MR. BROWN:</p> <p>8 Q. And the insured has a duty 9 to give notice of claims; you are 10 familiar with that as well?</p> <p>11 A. Yes.</p> <p>12 Q. And are you generally 13 familiar at that the excess layer, the 14 insure has a right to associate in the 15 defense of claims?</p> <p>16 MS. HARDING: Object to 17 form.</p> <p>18 THE WITNESS: To associate 19 in defense of claims?</p> <p>20 BY MR. BROWN:</p> <p>21 Q. Yes.</p> <p>22 A. Yes, although I think that, 23 again, that's something that you alluded 24 to earlier that I would think varied from</p>
<p>1 outset that you were generally familiar 2 with Grace's insurance program.</p> <p>3 Are you generally familiar 4 with the rights and duties of the 5 insured, on the one hand, and the 6 insurer, on the other, under an excess 7 policy?</p> <p>8 MS. HARDING: Object to 9 form.</p> <p>10 Go ahead.</p> <p>11 THE WITNESS: Yes, I am 12 generally familiar.</p> <p>13 BY MR. BROWN:</p> <p>14 Q. Okay. Can you describe your 15 familiarity in terms of -- what do you 16 understand to be the insurer's, the 17 excess insurer's rights under an excess 18 policy?</p> <p>19 MS. HARDING: I am just 20 going to object to form and to the 21 extent it's overly broad and 22 doesn't refer to a specific 23 policy.</p> <p>24 But if you can answer the</p>	<p style="text-align: right;">Page 317</p> <p>1 MS. HARDING: Object to 2 form. Again, same objection.</p> <p>3 THE WITNESS: I know 4 generally that in terms of 5 insurance policies, an insured has 6 a duty to cooperate.</p> <p>7 BY MR. BROWN:</p> <p>8 Q. And the insured has a duty 9 to give notice of claims; you are 10 familiar with that as well?</p> <p>11 A. Yes.</p> <p>12 Q. And are you generally 13 familiar at that the excess layer, the 14 insure has a right to associate in the 15 defense of claims?</p> <p>16 MS. HARDING: Object to 17 form.</p> <p>18 THE WITNESS: To associate 19 in defense of claims?</p> <p>20 BY MR. BROWN:</p> <p>21 Q. Yes.</p> <p>22 A. Yes, although I think that, 23 again, that's something that you alluded 24 to earlier that I would think varied from</p>

<p style="text-align: right;">Page 318</p> <p>1 policy to policy in specific relation.</p> <p>2 Q. Okay. To your knowledge,</p> <p>3 does Grace have any agreement with GEICO</p> <p>4 pursuant to which GEICO gave up any of</p> <p>5 its rights or ceded any of its rights</p> <p>6 under the policies that appear page 7 of</p> <p>7 Schedule 1 of Hughes-12?</p> <p>8 MS. HARDING: Object to</p> <p>9 form.</p> <p>10 THE WITNESS: Not to my</p> <p>11 knowledge.</p> <p>12 BY MR. BROWN:</p> <p>13 Q. And would your answer be the</p> <p>14 same with respect to Republic?</p> <p>15 A. Yes.</p> <p>16 Q. To your knowledge, has GEICO</p> <p>17 or Republic given up any of its claims</p> <p>18 handling rights pursuant to any agreement</p> <p>19 with Grace?</p> <p>20 MS. HARDING: Just objection</p> <p>21 to form. That assumes facts not</p> <p>22 in evidence.</p> <p>23 But go ahead.</p> <p>24 THE WITNESS: Not to my</p>	<p style="text-align: right;">Page 320</p> <p>1 for an exhaustive list.</p> <p>2 MS. HARDING: Right.</p> <p>3 THE WITNESS: As I said</p> <p>4 earlier, I was responsible for the</p> <p>5 day-to-day management and</p> <p>6 resolution of the claims</p> <p>7 internally. And as such, I worked</p> <p>8 with the outside law firms in</p> <p>9 litigating the cases and settling</p> <p>10 cases, and internally I worked</p> <p>11 with different groups within the</p> <p>12 company to appropriately record</p> <p>13 and manage the provision of</p> <p>14 services from outside counsel</p> <p>15 firms, payment of the firms,</p> <p>16 payment of the settlements.</p> <p>17 BY MR. BROWN:</p> <p>18 Q. Okay. What was the period</p> <p>19 of time over which you had that role?</p> <p>20 A. I would say from 1989</p> <p>21 through 19 -- excuse me -- through 2001,</p> <p>22 April of 2001.</p> <p>23 Q. Okay. And that was the</p> <p>24 petition date?</p>
<p style="text-align: right;">Page 319</p> <p>1 knowledge.</p> <p>2 BY MR. BROWN:</p> <p>3 Q. Okay. You indicated earlier</p> <p>4 that your title is senior litigation</p> <p>5 counsel; is that correct?</p> <p>6 A. Yes.</p> <p>7 Q. And I guess at the time of</p> <p>8 the petition you reported to Mr. Siegel;</p> <p>9 is that correct?</p> <p>10 A. Yes.</p> <p>11 Q. And he was the general</p> <p>12 counsel at the time?</p> <p>13 A. Yes.</p> <p>14 Q. How would you describe your</p> <p>15 responsibilities with respect to asbestos</p> <p>16 personal injury claims pre-petition?</p> <p>17 MS. HARDING: I am just</p> <p>18 going to object to the form to the</p> <p>19 extent it's overly broad, requires</p> <p>20 an overly broad interpretation.</p> <p>21 But to the extent you can</p> <p>22 answer it --</p> <p>23 MR. LEWIS: I am not.</p> <p>24 MR. BROWN: I am not asking</p>	<p style="text-align: right;">Page 321</p> <p>1 A. Yes.</p> <p>2 Q. Is it fair to say that you</p> <p>3 are the person at Grace most</p> <p>4 knowledgeable with respect to the manner</p> <p>5 in which asbestos personal injury claims</p> <p>6 were handled pre-petition?</p> <p>7 A. Yes.</p> <p>8 Q. Did Grace have national</p> <p>9 coordinating counsel with respect to</p> <p>10 asbestos bodily injury claims?</p> <p>11 A. It depends on how you define</p> <p>12 national coordinating counsel. We had a</p> <p>13 national -- Casner & Edwards in Boston</p> <p>14 handled all our documents, and Bob</p> <p>15 Murphy, a partner there, would</p> <p>16 participate in trials and work with</p> <p>17 outside counsel. And there were some</p> <p>18 other lawyers around the country who I</p> <p>19 would call upon to do that as well.</p> <p>20 Q. Okay. I gather from your</p> <p>21 answer that he didn't have the official</p> <p>22 title national coordinating counsel?</p> <p>23 A. Well, also, I think after</p> <p>24 1989, the outside counsel didn't report</p>

<p style="text-align: right;">Page 322</p> <p>1 to him. I view national coordinating 2 counsel kind of strictly as I understand 3 it is when the outside counsel in a 4 particular jurisdiction report on a 5 day-to-day basis to the firm, and then 6 the national counsel, in turn, reports to 7 the client and the corporation.</p> <p>8 And we had it set up a 9 little differently, that after 1989 -- 10 again, before that, I viewed Bob Murphy 11 as serving what I would call traditional 12 national coordinating counsel and that 13 the outside firms reported to him. But 14 we kind of reversed that.</p> <p>15 Q. Okay. If I understood your 16 answer then, is it fair to say from 1989 17 to 2001, that effectively you acted as 18 the national coordinating counsel?</p> <p>19 A. Yeah, with the assistance of 20 Casner & Edwards and Bob Murphy and 21 others.</p> <p>22 Q. Mr. Finke, I believe, 23 testified that in addition to Casner & 24 Edwards Grace had approximately 25 other</p>	<p style="text-align: right;">Page 324</p> <p>1 But, again, there were 2 communications on the status of cases on 3 what was going on, on working with Grace 4 witnesses, expert, fact, was done through 5 me. And I made the arrangements. The 6 only exception to that was, again, with 7 Casner & Edwards that the process worked 8 that discovery responses, Grace's 9 discovery responses in the underlying 10 cases, those would be -- I would be 11 copied on them. But they would be 12 directly sent to Casner & Edwards and Bob 13 Murphy or the associates at that firm 14 that were actually prepared and would 15 work directly with the local counsel in 16 preparing responses.</p> <p>17 Q. Okay. Is it fair to say 18 that you and the local firms, the 50 or 19 so firms that you testified that defended 20 Grace, and the Casner & Edwards firm 21 acted as a group in the defense of 22 asbestos claims asserted against Grace?</p> <p>23 A. Yes.</p> <p>24 MS. HARDING: Object to</p>
<p style="text-align: right;">Page 323</p> <p>1 firms around the country that were 2 defending Grace in various jurisdictions 3 against asbestos PI claims.</p> <p>4 Does that sound about right 5 to you?</p> <p>6 A. It sounds a little low, 7 actually, since there are 50 different 8 states and then I think we had cases in 9 virtually every state and in some 10 jurisdictions, California, Texas, would 11 have more than one counsel.</p> <p>12 Q. So what would be your 13 estimate or number?</p> <p>14 A. My estimate would be 50.</p> <p>15 Q. Now, what was your 16 interaction with each of those 50 or so 17 law firms in terms of defending against 18 asbestos claims?</p> <p>19 A. They would report on a 20 regular basis in terms of developments, 21 they would -- again, obviously when you 22 talk about 50 firms, a lot of the level 23 of activity of some of the firms was lot 24 less than others.</p>	<p style="text-align: right;">Page 325</p> <p>1 form. 2 Go ahead. 3 BY MR. BROWN:</p> <p>4 Q. Can you describe for me the 5 types of things that that group did in 6 defending Grace against asbestos claims?</p> <p>7 A. Virtually everything an 8 attorney would do representing the 9 company in asbestos or any kind of toxic 10 tort case. You know, they responded to 11 complaints, they responded to discovery, 12 they appeared on Grace's behalf at 13 depositions, they tried cases, they 14 negotiated settlements, they participated 15 in defense groups.</p> <p>16 Q. Let me just give you an 17 example. A complaint comes in the door. 18 Was it the responsibility of whatever 19 counsel was handling that particular case 20 to look at the complaint, to see if the 21 complaint had procedural defects or the 22 statute of limitations had expired, to do 23 those sort of things?</p> <p>24 A. Yeah. The complaints came</p>

<p style="text-align: right;">Page 326</p> <p>1 and generally were served through us. I 2 know some people had systems where local 3 counsel accepted service. We did not do 4 that.</p> <p>5 We had a system where when 6 the complaint was entered into the case 7 management system, it automatically sent 8 the complaint to the firm that had been 9 designated as local counsel in that 10 jurisdiction, and that local counsel, 11 once they received the complaint, review 12 the complaint and file an appropriate 13 response and then handle the case.</p> <p>14 Q. And an appropriate response 15 might be a motion to dismiss? It could 16 be an Answer?</p> <p>17 A. It could be an Answer; it 18 could be a motion to dismiss. You have 19 to keep in mind we don't have to get -- 20 we have to keep in mind the asbestos 21 personal injuries cases in a lot of 22 jurisdictions, a lot of this was kind of 23 institutionalized through case management 24 orders that in some cases, all you had to</p>	<p style="text-align: right;">Page 328</p> <p>1 would come in in a box load and you would 2 look through them and see if they made 3 the statute of limitations, whether they 4 had other procedural defects that might 5 have been peculiar to the given 6 jurisdiction, and, if appropriate, file 7 motions, file preliminary objections. 8 It's called different things in different 9 jurisdictions.</p> <p>10 Were your local counsel 11 doing that sort of thing pre-petition?</p> <p>12 A. Yes.</p> <p>13 MS. HARDING: Object to 14 form. Are you asking him 15 generally did that happen or did 16 it happen with all cases?</p> <p>17 MR. BROWN: I am trying to 18 get a sense of how the cases were 19 handled pre-petition, whether 20 motions were filed if it was 21 appropriate.</p> <p>22 MS. HARDING: Right. But 23 they have hundreds of thousands of 24 cases. Are you just saying did</p>
<p style="text-align: right;">Page 327</p> <p>1 do was enter an appearance. There 2 wasn't -- some of the analysis because of 3 the repetitious nature of it, that 4 typically if I was involved in a lawsuit 5 today as an in-house lawyer and sent it 6 to somebody, we might sit down and talk 7 about what the Answer is and what the 8 allegations are.</p> <p>9 In an asbestos case, again, 10 because there were thousands of them -- 11 in some cases there were actually what I 12 would call form Answers and form 13 Complaints and so on. So it was highly 14 managed by a case management order and 15 the court.</p> <p>16 Q. Let me give you an example 17 from my own experience and ask you 18 whether Grace did these sort of things.</p> <p>19 I used to do some of the 20 that work when I was a junior associate, 21 and one of the things I was charged with 22 was reviewing complaints and finding out 23 if there were procedural defects with 24 complaints. And sometimes the complaints</p>	<p style="text-align: right;">Page 329</p> <p>1 that ever happen or are you asking 2 if that happened in every case?</p> <p>3 MR. BROWN: No.</p> <p>4 MS. HARDING: I am asking 5 you because it's not clear.</p> <p>6 MR. BROWN: I am asking him 7 whether in the course of 8 evaluating a case that came in the 9 door, whether it was the 10 responsibility of counsel to look 11 at it for procedural defects and, 12 if appropriate, file a motion and 13 if appropriate, file an answer.</p> <p>14 THE WITNESS: Yes.</p> <p>15 BY MR. BROWN:</p> <p>16 Q. You also mentioned 17 discovery, and I think you said the 18 Casner & Edwards firm, if I understood 19 you correctly, handled Grace's responses 20 to discovery; is that correct?</p> <p>21 A. Asbestos personal injury 22 cases, yes.</p> <p>23 Q. Okay. How was the discovery 24 that Grace took of claimants handled by</p>

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1 **you, by Casner & Edwards, and the other
2 local firms that were defending cases?**

3 MS. HARDING: And I am just
4 going to -- I think you have
5 already taken this into
6 consideration. I will object. To
7 the extent it calls for
8 attorney-client privilege or work
9 product, do not answer. But I
10 don't think you are asking him for
11 that. So I just want to make it
12 clear.

13 THE WITNESS: With a couple
14 of exceptions, which were
15 important but were relatively
16 infrequent, it would be handled by
17 the local counsel. The exceptions
18 are that if we received the
19 deposition notice of a Grace or
20 fact witness of a Grace former
21 employee or an expert, kind of a
22 national asbestos personal injury
23 expert, and we had specific
24 expertise and the fact witness

1 the answer to the question is yes,
2 although in many jurisdictions and
3 certainly in the major jurisdictions,
4 there tended to be a joint medical
5 defense group. And one firm or one
6 particular -- lawyers would often handle
7 some of the medical records issues and
8 the medical testimony issues in the case
9 on behalf of all of the defendants.

10 Q. Okay. And did your local
11 counsel look for other causes to a
12 particular claimant's injury? For
13 example, if they were a long-term smoker,
14 would that be an issue that Grace pursued
15 in discovery?

16 A. Sure.

17 Q. What other sort of defenses
18 in that regard would Grace inquire into?

19 A. Smoking, alternative
20 exposures, history, you know, whether the
21 person -- where the person worked and
22 exposure to other people's products,
23 questionable diagnoses in a meso case.
24 We would have it sent out to somebody

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1 case would generally be Bob
2 Murphy.

3 But we might have somebody
4 from an outside firm that wasn't
5 specifically assigned a
6 jurisdiction to handle that. But
7 in terms of coworker depositions,
8 plaintiff depositions, developing
9 discovery with respect to a
10 particular job site, that would be
11 handled by the local counsel.

12 BY MR. BROWN:

13 Q. Okay. Do I gather from your
14 answer that local counsel, for example,
15 in written discovery depositions would
16 inquire into exposure to Grace products?

17 A. Yes.

18 Q. Okay. And product ID
19 sometimes called?

20 A. Yes.

21 Q. And how about medical
22 issues?

23 A. Well, as you may know, if
24 you had some prior involvement with it,

1 else to review the pathology. All the
2 kinds of things that a defense lawyer in
3 an asbestos case and just more broadly in
4 a personal injury case would do.

5 They were given relatively
6 broad, they being the local counsel,
7 authority to act on Grace's behalf in
8 defending the cases.

9 Q. Were they told to zealously
10 defend Grace?

11 MS. HARDING: Well, object
12 to the extent it calls for
13 attorney-client communications.

14 THE WITNESS: I certainly
15 hope I wouldn't have to tell
16 people to do that since they are
17 members of the bar and they have
18 that ethical obligation.

19 But, yeah, they were
20 certainly told -- there was a
21 management process, and there were
22 guidelines provided to them to
23 some degree of what they wanted to
24 do and what they shouldn't do.

<p style="text-align: right;">Page 334</p> <p>1 And there were things that I did 2 in terms of resolving cases that 3 would have taken them out. 4 But, yeah, I think they 5 understood that they were to 6 zealously defend it, and we had 7 some very good lawyers 8 representing us.</p> <p>9 BY MR. BROWN:</p> <p>Q. And was it your responsibility internally to make certain that that happened?</p> <p>10 A. Yes.</p> <p>11 Q. Now, did you work with any asbestos plaintiffs lawyers? When I say work with them, did you have interaction with any of the big guns in the asbestos bar?</p> <p>12 A. Personally?</p> <p>13 Q. Yes.</p> <p>14 A. Yes.</p> <p>15 Q. Who?</p> <p>16 A. And I was alluding to this earlier. Most of them, certainly in</p>	<p style="text-align: right;">Page 336</p> <p>1 A. And I dealt with most of them, at least at that time. It's been eight years. I am sure it's a new group. But at that point, many of them.</p> <p>2 Q. I am not so sure.</p> <p>3 Give me some examples.</p> <p>4 A. You can go down geographically. I know Perry Weitz, and I have met with Perry Weitz. I know Joe Rice. I know Greitzer & Locks. I have dealt with Dino Vovet (phonetic), Peter Angelos' firm many times. I used to know Mike Kelly who has passed away. I know Jim Ferraro. I know Irving Gonzalez, who is in jail. I know -- who else? I have dealt with -- I know Russell Budd and Fred Baron. I have dealt with Peter Krauss.</p> <p>5 Q. You mentioned Mr. Cooney earlier, I think.</p> <p>6 A. Cooney, I know John Cooney. I have met with him.</p> <p>7 Q. Any others that you can think of?</p>
<p style="text-align: right;">Page 335</p> <p>1 terms of the inventory settlement agreements and when we got into the process of settling larger groups, local defense counsel on the asbestos personal injury cases, when it's comes to resolving larger groups, have kind of conflicting motivations.</p> <p>2 On one hand, they want to do their client a good service, and they want to get rid of cases as cheaply as possible, but on the other hand, inventory settlements where we might buy up or settle the docket for six months, eight months, even two, three months, settlements like that cause the defense lawyers to lose billable hours in terms of their own businesses, lawyers.</p> <p>3 So when we started getting into those negotiations in the larger groups, I would handle them personally. And it was generally in that capacity that I dealt directly with plaintiffs' lawyers.</p> <p>4 Q. Okay.</p>	<p style="text-align: right;">Page 337</p> <p>1 A. There is probably others I have met with, and I have missed some. But there are some that I haven't met, either because we didn't get into those kinds of discussions or I was comfortable with the ability of our local counsel to negotiate cases and just the need for me to meet with them didn't arise. Particularly in California, the traditional California firms, I don't recall meeting working with Steve Casner, and there are others out there.</p> <p>2 Q. All right. Again, we are still focused on the pre-petition time frame.</p> <p>3 Was Grace required to obtain the consents of any of the members of the plaintiffs bar with respect to the manner in which Grace defended itself against asbestos claims, any of the gentlemen you just mentioned?</p> <p>4 MS. HARDING: Object to form.</p> <p>5 THE WITNESS: You will have</p>

<p style="text-align: right;">Page 338</p> <p>1 to repeat that.</p> <p>2 MR. LEWIS: We will have it 3 read back.</p> <p>4 (The reporter read from the 5 record as requested.)</p> <p>6 MS. HARDING: I am sorry.</p> <p>7 MR. LEWIS: I am sorry. I 8 don't understand the question.</p> <p>9 MR. BROWN: You are not 10 answering it.</p> <p>11 MR. LEWIS: I just object to 12 the question as unintelligible as 13 stated.</p> <p>14 MR. BROWN: Do you 15 understand the question?</p> <p>16 THE WITNESS: I think so. 17 I think the answer is no, 18 although they would occasionally 19 volunteer information to tell 20 Grace how to defend cases.</p> <p>21 BY MR. BROWN: 22 Q. And you didn't seek their 23 consent? 24 A. No.</p>	<p style="text-align: right;">Page 340</p> <p>1 Q. How about the exposure 2 criteria? Did that dictate that to 3 Grace?</p> <p>4 A. No, they didn't.</p> <p>5 Q. Did they dictate to Grace 6 the types of proofs that Grace would 7 accept for a settlement?</p> <p>8 A. Again, it was a negotiation. 9 But, no, they didn't dictate it.</p> <p>10 Q. Did they decide what type of 11 release Grace would accept in exchange 12 for a settlement?</p> <p>13 A. No. It's a negotiation.</p> <p>14 Q. All right. Again, 15 pre-petition, your title was senior 16 litigation counsel?</p> <p>17 A. Yes.</p> <p>18 Q. Okay. Did the plaintiff's 19 attorney have the power to remove you if 20 they didn't like the way you were 21 handling the defense of Grace claims?</p> <p>22 MS. HARDING: Objection. 23 It's relevance at this point. 24 Go ahead.</p>
<p style="text-align: right;">Page 339</p> <p>1 Q. Did the plaintiffs bar 2 participate in the internal 3 decision-making regarding the manner in 4 which Grace defended asbestos claims 5 pre-petition?</p> <p>6 A. No.</p> <p>7 Q. Did Grace leave it up to the 8 plaintiffs' attorneys to decide how much 9 Grace would pay for a claim?</p> <p>10 A. No.</p> <p>11 Q. Did Grace consult with the 12 plaintiffs bar with respect to the manner 13 in which Grace and its outside counsel 14 defended claims?</p> <p>15 A. No.</p> <p>16 Q. Did the plaintiffs' 17 attorneys decide what medical criteria 18 were satisfactory for a settlement with 19 Grace?</p> <p>20 A. It was a product of 21 negotiation if there were inventory 22 settlements that had specific objective 23 medical criteria. They didn't dictate to 24 Grace what the medical criteria was.</p>	<p style="text-align: right;">Page 341</p> <p>1 THE WITNESS: No, they 2 didn't.</p> <p>3 BY MR. BROWN:</p> <p>4 Q. Did they control how much 5 you were paid for your job at Grace?</p> <p>6 A. No.</p> <p>7 MR. BROWN: I might be 8 finished. Let me have a couple of 9 minutes.</p> <p>10 (There was a break from 4:11 11 p.m. to 4:16 p.m.)</p> <p>12 BY MR. BROWN:</p> <p>13 Q. Mr. Hughes, can I ask you to 14 take a look at what was previously marked 15 Hughes-3?</p> <p>16 A. (Witness complies with 17 request.)</p> <p>18 MS. HARDING: Exhibit 4 to 19 the Exhibit Book.</p> <p>20 MR. LEWIS: Exhibit 4 to the 21 Exhibit Book, which is Exhibit-3 22 to the deposition.</p> <p>23 BY MR. BROWN:</p> <p>24 Q. Mr. Hughes, Exhibit-3, there</p>

<p style="text-align: right;">Page 342</p> <p>1 was a question earlier today. It's the 2 Trust Distribution Procedures, correct?</p> <p>3 A. Yes.</p> <p>4 Q. And I think you indicated 5 that you did not draft this document; do 6 I have that correct?</p> <p>7 A. Yes.</p> <p>8 Q. I believe you said the ACC, 9 asbestos claimants committee, drafted the 10 document; is that correct?</p> <p>11 MR. LIESEMER: Object to the 12 form of the question.</p> <p>13 THE WITNESS: That was my 14 understanding, yes.</p> <p>15 BY MR. BROWN:</p> <p>16 Q. Okay. And you indicated 17 that you had reviewed the document?</p> <p>18 A. Yes, I have.</p> <p>19 Q. And if I remember your 20 testimony correctly, you indicated that 21 you were given an opportunity to comment 22 on the document?</p> <p>23 A. Yes.</p> <p>24 Q. I believe you also stated</p>	<p style="text-align: right;">Page 344</p> <p>1 candidates who may have taken a look at 2 it.</p> <p>3 Q. Okay. And the Trust 4 Distribution Procedures are the 5 procedures pursuant to which asbestos 6 personal injury claims are to be handled 7 if the Plan is confirmed, correct?</p> <p>8 A. Right, by the Trust.</p> <p>9 MR. BROWN: Okay. All 10 right. I am going to pass you to 11 Mr. Cohn. Thank you.</p> <p>12 - - -</p> <p>13 EXAMINATION</p> <p>14 - - -</p> <p>15 BY MR. JACOB COHN:</p> <p>16 Q. Good afternoon, Mr. Hughes. 17 Jacob Cohn for Federal Insurance Company. 18 How are you?</p> <p>19 MS. HARDING: Did you all 20 join in somebody's 30(b)(6)?</p> <p>21 MR. JACOB COHN: No. I am 22 participating as a party in 23 interest here.</p> <p>24 MS. HARDING: So just to be</p>
<p style="text-align: right;">Page 343</p> <p>1 that you didn't recall any comment that 2 you had on the document; is that correct?</p> <p>3 A. I didn't recall any specific 4 comment. I recall that there were some 5 comments I had made.</p> <p>6 Q. Okay. Do you recall what 7 those comments were?</p> <p>8 A. Not as I sit here today, no.</p> <p>9 Q. Okay. I think you were also 10 asked who else at Grace reviewed the 11 document, and I believe your answer was 12 your outside counsel did, reviewed it; do 13 I have that right?</p> <p>14 A. Yes.</p> <p>15 Q. Other than you and your 16 outside counsel, are you aware of anyone 17 else that reviewed and drafted the TDP on 18 the Grace side?</p> <p>19 A. I don't know if Richard 20 Finke or Mark Shelnitz, our general 21 counsel, had taken a look at it at that 22 time. Perhaps Richard was asked about 23 that question when he was deposed. But 24 they would be the other logical</p>	<p style="text-align: right;">Page 345</p> <p>1 clear, you didn't notice the dep 2 and you didn't join anybody else's 3 notice?</p> <p>4 MR. JACOB COHN: No. I am 5 just a party to the case, and I 6 came to the deposition. And I am 7 entitled to cross-examine, so I 8 am.</p> <p>9 BY MR. JACOB COHN:</p> <p>10 Q. Now, Mr. Hughes --</p> <p>11 MS. HARDING: There are a 12 lot of people who want to ask 13 questions today. Do you have a 14 sense of how long it will take?</p> <p>15 MR. JACOB COHN: I would 16 think no more than 15 to 20 17 minutes, hopefully less.</p> <p>18 MS. HARDING: All right. I 19 think in the interest of not 20 having to come back, I will go 21 forward, but I --</p> <p>22 MR. JACOB COHN: You are 23 burning --</p> <p>24 MS. HARDING: I will State</p>

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1 an objection on the record that 2 you didn't notice the deposition. 3 MR. JACOB COHN: I don't 4 understand that to be a bona fide 5 deposition objection. 6 MS. DeCRISTOFARO: At one 7 point, there was an email that 8 said in the interest of not having 9 a notice, that not everyone needed 10 to serve separate notices. 11 MR. JACOB COHN: Everything 12 is on the record. 13 BY MR. JACOB COHN: 14 Q. From 1989 to 2001, you were 15 principally in charge of handling 16 asbestos claims against Grace, correct? 17 A. Asbestos personal injury 18 claims, yes. 19 Q. And from 1989 to 2001 Grace 20 was a for-profit business corporation, 21 correct? 22 A. Yes. 23 Q. So your goal was to minimize 24 the amount of money that Grace had to pay	1 MS. HARDING: Object to form 2 and foundation. 3 MR. JACOB COHN: Whatever. 4 You can answer. 5 THE WITNESS: I assume so, 6 yes. 7 BY MR. JACOB COHN: 8 Q. So that became part of the 9 money that would be available to you, 10 whatever settlement would come in to pay 11 for the resolution of asbestos PI claims, 12 correct? 13 MS. HARDING: Object to 14 form. 15 THE WITNESS: Well, again, I 16 don't -- yeah. I mean, perhaps 17 indirectly. But there was 18 \$300,000 that was settled and 19 \$300,000 was entered -- became 20 Grace's property, and Grace 21 settled cases as part of its 22 business operations. 23 BY MR. JACOB COHN: 24 Q. And Grace would typically
Page 347	Page 349
1 in the defense and settlement and 2 resolution of asbestos PI claims, 3 correct? 4 A. Yes. 5 Q. Now, just looking for a 6 moment at what was marked Hughes-12, 7 which is Exhibit 6 to the Exhibit Book 8 from the Plan, if you would just take a 9 quick look at the Schedule 2. 10 Now, Schedule 2, am I 11 correct, these are insurance companies 12 that had settlement agreements where they 13 paid a lump sum of money to Grace and 14 received a release for policy obligation; 15 would that be correct? 16 A. That's my understanding. 17 Q. Okay. And, for example, 18 Federal Insurance Company, my client, has 19 a settlement for one of its policies, and 20 I will represent to you that they paid 21 \$300,000 in 1997 to settle a \$500,000 22 sub-limit. 23 Now, that \$300,000 was put 24 into Grace's treasury; is that right?	1 have to promise the insurer to use those 2 funds to pay for the resolution of 3 asbestos claims; is that accurate? 4 MS. HARDING: Object to 5 form, in terms of typically. 6 THE WITNESS: Yeah, I guess 7 it's an accounting matter they 8 would apply it to asbestos 9 liabilities. 10 BY MR. JACOB COHN: 11 Q. All right. Now, Schedule 3 12 is listed as schedule Asbestos Insurance 13 Reimbursement Agreements, right? 14 A. Right. 15 Q. Now, those are what would be 16 typically called a coverage in place 17 agreement; would you agree with that 18 terminology? 19 A. Yes. 20 Q. Okay. So as I understand 21 from Grace's Securities and Exchange 22 Commission filings, most of these 23 agreements require the insurer to pay a 24 portion of every claim that Grace settles

	Page 350		Page 352
1	that triggers their policy; would that be		cents on the dollar.
2	right?		BY MR. JACOB COHN:
3	MS. HARDING: Object to form		Q. Would come back in?
4	and object to asking him questions		A. Again, it would vary
5	about generally insurance		depending on where we were in terms of
6	settlement agreements.		the coverage, yes, we would be
7	MR. JACOB COHN: Okay.		reimbursed. And it varied when, you
8	MS. HARDING: Every		know, during the time period. There is a
9	agreement is different.		lot of factors that go into that. And I
10	MR. JACOB COHN: That's		don't think you can answer it
11	fine.		definitively, but it certainly would be
12	BY MR. JACOB COHN:		in the range I mentioned for some period
13	Q. Can I rely upon Grace's SEC		of the time.
14	filings?		Q. And Grace believed it could
15	A. Yes.		do a better job of handling the claims by
16	Q. Okay. So can you describe		itself without having the insurers be
17	to me the policies that are identified in		involved; is that accurate?
18	those filings as policies that pay on a		MS. HARDING: Object to
19	pro rata basis, how the money would be		form.
20	spent and recouped from those insurers?		THE WITNESS: Whether or not
21	MS. HARDING: Object to		we thought we could do a better
22	form.		job or the insurance carriers
23	THE WITNESS: We certainly		would prefer that we did it, the
24	had arrangements with insurance		evolution of it was that Grace
	Page 351		Page 353
1	companies that provided that they		handled it itself?
2	would pay us a percentage or a pro		BY MR. JACOB COHN:
3	rata portion of the money we spent		Q. Okay. And at all times,
4	that triggered their policy that		while you were there, Grace endeavored to
5	we spent on asbestos claims.		minimize the amount of money it had paid
6	BY MR. JACOB COHN:		to resolve asbestos claims; is that fair
7	Q. And Grace itself paid a		to say?
8	portion of every dollar that was spent to		A. Yes.
9	resolve an asbestos claim, correct?		Q. Now, in 2005, there was a
10	A. I think we generally paid it		conference call between Grace and its
11	in the first instance and was reimbursed		insurers. Were you a participant in that
12	under these kinds of agreements, but yes.		call?
13	Q. And typically how much of		A. I don't specifically recall,
14	every dollar that you paid out would you		but I may have been.
15	be reimbursed from one of these		Q. Do you remember any
16	agreements?		discussion between Grace and its insurers
17	MS. HARDING: Object to		to the effect that Grace was not ready to
18	form, foundation.		deal with its high level excess insurers?
19	Go ahead.		A. In what sense not ready?
20	THE WITNESS: Again, it		Q. In the sense of , in the
21	would vary, but based on valuation		course of the bankruptcy proceedings,
22	we do on the 1.7 billion and the		W.R. Grace communicating that sentiment
23	500 million I referred to earlier,		to its non-settled high level insurers?
24	I think 25 cents on the dollar, 30		A. I don't recall that

<p style="text-align: right;">Page 354</p> <p>1 conversation.</p> <p>2 Q. You said you were given a</p> <p>3 chance to review the TDPs in 2008 -- I am</p> <p>4 sorry. Was it 2008?</p> <p>5 A. Yeah, it would have been</p> <p>6 2008.</p> <p>7 Q. Okay. Now, at that point in</p> <p>8 time, Grace's obligations pursuant to the</p> <p>9 settlement it reached in April 2008 were</p> <p>10 established, correct?</p> <p>11 MS. HARDING: Object to</p> <p>12 form.</p> <p>13 THE WITNESS: Yes. There</p> <p>14 had been a Term Sheet and an</p> <p>15 agreement reached.</p> <p>16 BY MR. JACOB COHN:</p> <p>17 Q. There was a defined amount</p> <p>18 of money and other things that Grace was</p> <p>19 going to give to the Trust to settle its</p> <p>20 asbestos liabilities; is that right?</p> <p>21 A. Yes.</p> <p>22 MS. HARDING: Well, just</p> <p>23 object to form.</p> <p>24 THE WITNESS: Asbestos</p>	<p style="text-align: right;">Page 356</p> <p>1 constituencies was the most important</p> <p>2 consideration to Grace in reviewing the</p> <p>3 TDPs?</p> <p>4 MR. LIESEMER: Object to the</p> <p>5 form.</p> <p>6 MS. HARDING: Object to the</p> <p>7 form.</p> <p>8 THE WITNESS: I think that</p> <p>9 the most important consideration</p> <p>10 to Grace in the TDP was that they</p> <p>11 were, from a legal standpoint,</p> <p>12 sufficiently consistent with, to</p> <p>13 the extent they had to be,</p> <p>14 consistent with the prior practice</p> <p>15 and that they were a reasonable</p> <p>16 means of processing and paying</p> <p>17 claims so that the Plan would be</p> <p>18 confirmed.</p> <p>19 BY MR. JACOB COHN:</p> <p>20 Q. So it was important at this</p> <p>21 point -- strike that.</p> <p>22 At this point, Grace had no</p> <p>23 additional financial interest in how</p> <p>24 asbestos claims were handled; is that</p>
<p style="text-align: right;">Page 355</p> <p>1 personal injury liabilities.</p> <p>2 BY MR. JACOB COHN:</p> <p>3 Q. And is it fair to say that</p> <p>4 thereafter, the most significant interest</p> <p>5 that Grace had in the TDPs was insuring</p> <p>6 that it obtained the 75 percent or</p> <p>7 greater vote from the asbestos PI</p> <p>8 claimants?</p> <p>9 MS. HARDING: Object to</p> <p>10 form.</p> <p>11 THE WITNESS: It was</p> <p>12 important to Grace that we emerge</p> <p>13 from bankruptcy and that the Trust</p> <p>14 and so on and the Plan proceed so</p> <p>15 that the reorganized company could</p> <p>16 emerge from bankruptcy and be free</p> <p>17 from its asbestos liabilities.</p> <p>18 That was the purpose of the</p> <p>19 Chapter 11, and that was obviously</p> <p>20 Grace's interest.</p> <p>21 BY MR. JACOB COHN:</p> <p>22 Q. So is the answer to my prior</p> <p>23 question yes, getting 75 percent super</p> <p>24 majority approval by the asbestos</p>	<p style="text-align: right;">Page 357</p> <p>1 correct?</p> <p>2 MS. HARDING: Object to the</p> <p>3 form.</p> <p>4 THE WITNESS: Well, that's</p> <p>5 not necessarily correct. But we</p> <p>6 certainly had -- since our</p> <p>7 obligation to fund the Trust,</p> <p>8 personal injury Trust, was fixed,</p> <p>9 both in terms of the payments that</p> <p>10 were to be made at the time of</p> <p>11 emergence and the payments off in</p> <p>12 the future, then I guess to that</p> <p>13 extent, yeah, we had already</p> <p>14 established what our liability</p> <p>15 was. And our concern was that the</p> <p>16 Trust Distribution Procedures were</p> <p>17 met whatever legal criteria that</p> <p>18 were necessary and that the Plan</p> <p>19 be confirmed.</p> <p>20 BY MR. JACOB COHN:</p> <p>21 Q. So as of the time that the</p> <p>22 settlement was reached, your concern with</p> <p>23 the TDPs was that they enable a Plan to</p> <p>24 be confirmed in a way that would enable</p>

<p style="text-align: right;">Page 358</p> <p>1 Grace to have finality with respect to 2 its asbestos obligations and emerge as a 3 for-profit corporation again?</p> <p>4 MS. HARDING: Object to 5 form. I think it mischaracterizes 6 and doesn't completely accurately 7 summarize what he just said 8 regarding legal criteria.</p> <p>9 BY MR. JACOB COHN: 10 Q. Would you agree with what I 11 just said?</p> <p>12 A. No. We operated in 13 bankruptcy as a for-profit company. I 14 think our goal would be to operate as a 15 corporation unencumbered by asbestos 16 liabilities.</p> <p>17 MR. JACOB COHN: No further 18 questions. Thanks. - - - 20 EXAMINATION - - -</p> <p>22 BY MS. SIMON: 23 Q. Good afternoon. My name is 24 Marnie Simon. I represent Fireman's Fund</p>	<p style="text-align: right;">Page 360</p> <p>1 Allianz on page 1 of Schedule 1, the 2 Fireman's Fund policies on page 7 of 3 Schedule 1, and then the Reunion - 4 Adriatica policy on page 16.</p> <p>5 MS. MAHALEY: I object to 6 the form of the question.</p> <p>7 BY MS. SIMON: 8 Q. Are you aware of any 9 agreements with those insurance companies 10 to waive their rights under their excess 11 policies that was in place with Grace 12 pre-petition?</p> <p>13 A. No, I am not.</p> <p>14 MS. HARDING: Object to 15 form.</p> <p>16 MS. SIMON: That's all. - - - 18 EXAMINATION - - -</p> <p>20 BY MS. McCABE: 21 Q. Good afternoon, Mr. Hughes. 22 My name is Eileen McCabe, and I here 23 today --</p> <p>24 A. I remember you Eileen.</p>
<p style="text-align: right;">Page 359</p> <p>1 Insurance Company and the Allianz related 2 entities.</p> <p>3 A. Sure.</p> <p>4 Q. I believe you testified when 5 speaking with Michael Brown that 6 reviewing the GEICO policies under, I 7 think it was, Exhibit-12 here and Exhibit 8 6 to the Plan Asbestos Insurance Transfer 9 Agreement, I believe you testified there 10 that to your knowledge, GEICO had not -- 11 there were no agreements between Grace 12 and GEICO in terms of GEICO ceding or 13 waiving its rights under those excess 14 policies; is that correct?</p> <p>15 A. Yes.</p> <p>16 Q. And would you answer --</p> <p>17 A. That I was aware of.</p> <p>18 Q. That you were aware of.</p> <p>19 And would your answer be the 20 same for the Fireman's Fund and Allianz 21 companies?</p> <p>22 A. You are talking with respect 23 to the excess insurance policies?</p> <p>24 Q. The excess policies of</p>	<p style="text-align: right;">Page 361</p> <p>1 Q. I am here today on behalf of 2 AXA Belgium as a successor to Royale 3 Belge.</p> <p>4 And just to make this go 5 quickly, if I could follow up with the 6 same questions that were just asked to 7 you with regard to the Royale Belge 8 policies that appear on page 16 of what's 9 been designated Hughes Exhibit-12. There 10 are three policies that are identified 11 there for excess policies.</p> <p>12 Are you aware of any 13 agreement that Royale Belge had 14 pre-petition pursuant to Royale Belge 15 ceded or waived any of its excess 16 policies as listed on that policy?</p> <p>17 MS. HARDING: Object to 18 form.</p> <p>19 THE WITNESS: No, I am not.</p> <p>20 MS. McCABE: That's it. - - - 22 EXAMINATION - - -</p> <p>24 BY MR. SCHIAVONI:</p>

<p style="text-align: right;">Page 378</p> <p>1 was correct, that you didn't -- it 2 was one of those backwards things. 3 THE WITNESS: Sorry. 4 BY MR. SCHIAVONI: 5 Q. Some of your data may be in 6 Exhibit-1, but you didn't prepare 7 Exhibit-1 and you didn't supervise the 8 preparation of Exhibit-1; is that right? 9 A. I did not prepare Exhibit-1, 10 nor did I supervise the preparation of 11 Exhibit-1.</p> <p>12 Q. The 1995 Grace/Royal 13 settlement covered policies issued to the 14 Zonolite Company; is that generally 15 right? 16 A. Yes. 17 Q. Okay. Are you aware whether 18 Royal's also alleged to have issued, 19 entirely separate from that, a high level 20 excess policy in the 1980s to Grace? 21 A. I learned that in connection 22 with the bankruptcy. I am not sure I 23 knew that beforehand. 24 Q. Okay. But sitting here</p>	<p style="text-align: right;">Page 380</p> <p>1 Arrowwood ceded or in any way waived or 2 given up any of its rights to associate 3 in the defense or cooperate or any other 4 rights under its high level excess 5 policy? 6 A. Not that I am aware of. 7 MS. HARDING: Object the 8 form with respect to rights. 9 BY MR. SCHIAVONI: 10 Q. And am I correct that prior 11 to the bankruptcy filing, Grace hadn't 12 tendered any claims to Royal under that 13 high level excess policy? 14 A. I don't know the extent to 15 which we were tendered claims 16 pre-petition to high level excess 17 policies. Generally, the notice of the 18 claims was done by our insurance broker. 19 Q. Okay. So you don't know one 20 way or the other? 21 A. I don't. 22 MR. SCHIAVONI: That's all I 23 have. Thank you, Mr. Hughes. 24 - - -</p>
<p style="text-align: right;">Page 379</p> <p>1 today, you are familiar with the fact 2 that there is a separate high level 3 excess policy that Royal has issued in 4 '80s to Grace; is that right? 5 A. I believe so, yes. 6 Q. And Mr. Brown asked you some 7 questions about whether or not rights to 8 associate in the defense and to 9 cooperated had been ceded by his clients 10 to Grace. 11 Do you remember those 12 questions generally? 13 MS. HARDING: Object to 14 form. 15 But go ahead. 16 MR. SCHIAVONI: All right. 17 THE WITNESS: There are 18 questions about it. I think the 19 question was whether we had waived 20 or all agreed, and the answer was 21 no, I wasn't aware of any such 22 agreement. 23 BY MR. SCHIAVONI: 24 Q. Has either Royal or</p>	<p style="text-align: right;">Page 381</p> <p>1 EXAMINATION 2 - - - 3 BY MR. IFFT: 4 Q. Good afternoon, Mr. Hughes. 5 A. Good afternoon. 6 Q. My name is Richard Ifft. I 7 represent Maryland Casualty Company and 8 two Zurich entities, Zurich Insurance 9 Company and Zurich Insurance Bermuda 10 Company. 11 A. Okay. 12 Q. I am not, I think, going to 13 ask many questions about Maryland 14 Casualty today. 15 With respect to Zurich, I 16 will represent to you that the two Zurich 17 entities issued a number of high level 18 excess policies, and I will direct your 19 attention to what we have marked as 20 Exhibit-12, the Exhibit 6 to the Exhibit 21 Book for the Plan. 22 Directing your attention to 23 Schedule 1, page 20, you will see there 24 is about 11 or so participations on that</p>

<p style="text-align: right;">Page 382</p> <p>1 last page.</p> <p>2 A. Yes.</p> <p>3 Q. If I were to ask you the</p> <p>4 same questions that other carriers have</p> <p>5 asked you, if you are aware of any</p> <p>6 waivers by any of the Zurich entities of</p> <p>7 their rights under the policy, are you</p> <p>8 aware of that with respect to those</p> <p>9 policies?</p> <p>10 A. No, I am not.</p> <p>11 MS. HARDING: Object to</p> <p>12 form --</p> <p>13 MR. LIESEMER: Object to</p> <p>14 form.</p> <p>15 MS. HARDING: -- as to</p> <p>16 rights.</p> <p>17 BY MR. IFFT:</p> <p>18 Q. You are aware, Mr. Hughes,</p> <p>19 that the excess insurers under their</p> <p>20 policies typically have certain rights</p> <p>21 with respect to their ability to be</p> <p>22 involved with respect to the handling of</p> <p>23 the claims against Grace?</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 384</p> <p>1 A. No, I am not.</p> <p>2 Q. I think you testified that</p> <p>3 you had some familiarity with Asbestos</p> <p>4 Insurance Reimbursement Agreements</p> <p>5 generally, correct?</p> <p>6 A. Yes.</p> <p>7 Q. And what's your</p> <p>8 understanding as to how those typically</p> <p>9 work?</p> <p>10 A. They typically would work</p> <p>11 that as the costs were incurred under --</p> <p>12 we would agree in terms of how it was</p> <p>13 allocated, but Grace had a model in terms</p> <p>14 of how the terms were allocated on</p> <p>15 different policies. And to the extent</p> <p>16 the policy was triggered that the party,</p> <p>17 in this case Zurich International, would</p> <p>18 pay Grace or reimburse Grace for some</p> <p>19 portion of the costs that were incurred</p> <p>20 for those claims.</p> <p>21 Q. Pursuant to a defined</p> <p>22 percentage in the agreement?</p> <p>23 A. Defined percentage,</p> <p>24 generally, yes.</p>
<p style="text-align: right;">Page 383</p> <p>1 MR. LIESEMER: Object to the</p> <p>2 form.</p> <p>3 BY MR. IFFT:</p> <p>4 Q. And is it your testimony</p> <p>5 that you are not aware of any waiver of</p> <p>6 any such rights by the Zurich companies</p> <p>7 with respect to their policies?</p> <p>8 MS. HARDING: Object to form</p> <p>9 again.</p> <p>10 But go ahead.</p> <p>11 MR. IFFT: You can answer.</p> <p>12 THE WITNESS: I am not aware</p> <p>13 of any.</p> <p>14 BY MR. IFFT:</p> <p>15 Q. Let me direct your attention</p> <p>16 to Schedule 3. I will represent to</p> <p>17 you that this is the Schedule of Asbestos</p> <p>18 Insurance Reimbursement Agreements, and</p> <p>19 you will see at the bottom there is one</p> <p>20 agreement with Zurich International with</p> <p>21 respect to, I will represent to you, one</p> <p>22 of those 11 policies.</p> <p>23 Do you happen to be familiar</p> <p>24 with that agreement, sitting here today?</p>	<p style="text-align: right;">Page 385</p> <p>1 Q. Do those agreements also</p> <p>2 typically have any provisions that on</p> <p>3 their face alter the rights that</p> <p>4 otherwise might exist under the policy</p> <p>5 with respect to the insurer's involvement</p> <p>6 in the claims?</p> <p>7 MS. HARDING: Object to</p> <p>8 form.</p> <p>9 MR. LIESEMER: Join.</p> <p>10 THE WITNESS: I think that</p> <p>11 would vary. My understanding</p> <p>12 would be generally no, but I think</p> <p>13 that it certainly -- I would have</p> <p>14 to look at the individual</p> <p>15 agreement to comfortably say that.</p> <p>16 BY MR. IFFT:</p> <p>17 Q. Okay. You are not sure,</p> <p>18 sitting here today?</p> <p>19 A. I am not sure, but you are</p> <p>20 also asking me specifically about</p> <p>21 agreements. And your other questions</p> <p>22 were generally in the absence, but here</p> <p>23 there were agreements. And I have to</p> <p>24 look at the individual agreements before</p>

<p style="text-align: right;">Page 386</p> <p>1 making a blanket statement about what 2 they provide and what they don't provide. 3 Q. Fair enough. They may or 4 may not have, and you would have to look 5 at the agreement?</p> <p>6 A. Right.</p> <p>7 MR. IFFT: I don't have 8 anything further.</p> <p>9 - - -</p> <p>10 EXAMINATION</p> <p>11 - - -</p> <p>12 BY MS. DeCRISTOFARO:</p> <p>13 Q. Good afternoon, Mr. Hughes, 14 my name is Elizabeth DeCristofaro. I 15 represent a group of insurance companies, 16 Continental Insurance Company, 17 Continental Casualty, generally referred 18 to as the CNA Insurance Companies.</p> <p>19 And you are familiar that 20 the CNA Insurance Companies issued 21 insurance policies to Grace?</p> <p>22 A. Yes.</p> <p>23 Q. I am trying to do this 24 without having to take you through a</p>	<p style="text-align: right;">Page 388</p> <p>1 form. 2 MS. HARDING: Object the 3 form.</p> <p>4 THE WITNESS: No, I am not 5 aware of any agreement.</p> <p>6 MS. DeCRISTOFARO: Then I 7 have no further questions.</p> <p>8 MS. HARDING: We are done in 9 the room. Elisa, do you want to 10 go? 11 - - -</p> <p>12 EXAMINATION</p> <p>13 - - -</p> <p>14 BY MS. ALCABES:</p> <p>15 Q. Hi. This is Elisa Alcabes 16 from Simpson, Thacher & Bartlett, Mr. 17 Hughes. I am counsel for Travelers 18 Casualty and Surety Company previously 19 known AETNA.</p> <p>20 A. Yes.</p> <p>21 Q. You mentioned before that 22 you had involvement in the reimbursement 23 agreement pre-petition; is that correct?</p> <p>24 A. Yes.</p>
<p style="text-align: right;">Page 387</p> <p>1 number of names and policies. 2 You are aware that some of 3 the policies issued by the CNA Companies 4 to Grace were high level excess policies; 5 is that correct?</p> <p>6 A. Yes.</p> <p>7 Q. And there has been no 8 settlement or other agreements affecting 9 those high level high level excess 10 policies; is that correct?</p> <p>11 MS. HARDING: Object to 12 form.</p> <p>13 Go ahead.</p> <p>14 THE WITNESS: That's my 15 understanding, yes.</p> <p>16 BY MS. DeCRISTOFARO:</p> <p>17 Q. So to follow up on the 18 questions you were asked previously, you 19 are not aware of any agreement in which 20 the companies that issued those high 21 level excess policies waived or 22 surrendered any rights under those 23 policies?</p> <p>24 MR. LIESEMER: Object to</p>	<p style="text-align: right;">Page 389</p> <p>1 Q. And I believe you said that 2 you were in part responsible for insuring 3 that Grace undertook its obligations 4 under the reimbursement agreement?</p> <p>5 A. Yes. And I was involved in 6 disputes that arose concerning those 7 obligation.</p> <p>8 Q. With respect to allocation, 9 I believe you just mentioned that there 10 was a model that Grace used; is that 11 correct?</p> <p>12 MS. HARDING: Object to 13 form. It misstates the testimony 14 but go ahead.</p> <p>15 THE WITNESS: Yes.</p> <p>16 BY MS. ALCABES:</p> <p>17 Q. Can you just explain a 18 little bit more how Grace allocated or 19 performed allocation that was necessary 20 under the reimbursement agreement?</p> <p>21 A. I can tell you who did it, I 22 can tell you that it was done, but I 23 can't give you specifics and the details 24 of how that was done.</p>

<p style="text-align: right;">Page 478</p> <p>1 I think that's a question 2 that's overly broad, and I think 3 it really -- it's specific to an 4 insurance company and to law firms 5 and to jurisdictions.</p> <p>6 But, again, we worked with 7 insurance companies in settling 8 and resolving these claims and 9 resolving their coverage over the 10 course of the 15, 20 years I was 11 involved in it.</p> <p>12 BY MR. LEWIS:</p> <p>Q. Did any insurer that had coverage for Grace, any insurer, object to the manner in which you were conducting the defense of the claims for asbestos-related disease against Grace?</p> <p>18 MR. SCHIAVONI: Object to 19 form.</p> <p>20 THE WITNESS: None that I 21 recall.</p> <p>22 MR. LEWIS: That's all I 23 have.</p> <p>24 MR. BROWN: Let's mark</p>	<p style="text-align: right;">Page 480</p> <p>1 Hughes Exhibit-12. 2 BY MR. BROWN: Q. Can you go to Schedule 1 of that document? 5 A. Yes. Q. And specifically, page 18, I direct your attention down toward the bottom of the document, you will see Unigard Security. 10 Do you see that? 11 A. Yes. Q. And do you see in the policy number column that there are two policies listed? 15 A. Yes. Q. Okay. There is one 1-0589 and 1-2517. Do you see those? 18 A. Yes. Q. Now, could you go to what's been marked as Exhibit-15, which is Exhibit 5 to the Exhibit Book, and turn to page 9. If you see at the bottom of that there is a reference there to two</p>
<p style="text-align: right;">Page 479</p> <p>1 Hughes-15. 2 (Hughes-15 marked for 3 identification at this time.)</p> <p>4 MS. HARDING: Just to save 5 time, again, Exhibit 5 to the Plan 6 was topic upon which Mr. Finke was 7 designated to testify and I think 8 did. But to the extent that the 9 witness can answer the questions 10 related to it, go ahead.</p> <p>11 MR. BROWN: It's an 12 insurance-related question.</p> <p>13 MS. HARDING: I understand.</p> <p>14 - - -</p> <p>15 EXAMINATION</p> <p>16 - - -</p> <p>17 BY MR. BROWN:</p> <p>Q. Mr. Hughes, can you look at what's been marked Exhibit-6, Schedule 1, we talked about that earlier? I think that's 5 there in front of you.</p> <p>22 A. Yes.</p> <p>Q. If you look at Exhibit 6.</p> <p>24 MS. HARDING: Which is</p>	<p style="text-align: right;">Page 481</p> <p>1 settlement agreements for Unigard 2 Security Insurance Company? Do you see 3 those? 4 A. Yes. Q. And it says "now known as Seaton"? 7 A. Yes. Q. Okay. Do you understand those two settlement agreements to pertain to the two policies that are on the first exhibit that I had you look at? 12 MS. HARDING: Object on 13 foundation, to the extent that you 14 know. And --</p> <p>15 BY MR. BROWN:</p> <p>Q. You can look at the policy numbers. 18 A. Yeah, they have the same 19 policy numbers. Q. Okay. Now, would you look at Schedule 2 to Exhibit 6? Do you see that there are two settlement agreements 23 listed there for Unigard Security Insurance Company?</p>

<p style="text-align: right;">Page 482</p> <p>1 A. Yes.</p> <p>2 Q. Do you understand those two</p> <p>3 settlement agreements to relate to the</p> <p>4 references of the prior document?</p> <p>5 MS. HARDING: Object on</p> <p>6 foundation. Mr. Finke testified</p> <p>7 that he prepared these schedules.</p> <p>8 But to the extent that you</p> <p>9 know, go ahead.</p> <p>10 THE WITNESS: I mean, they</p> <p>11 have the same policy numbers --</p> <p>12 excuse me. They don't have policy</p> <p>13 numbers on Schedule 2, but they</p> <p>14 have the same dates in the</p> <p>15 agreement.</p> <p>16 BY MR. BROWN:</p> <p>17 Q. It's your understanding it's</p> <p>18 the same agreement, correct?</p> <p>19 MS. HARDING: Object on</p> <p>20 foundation.</p> <p>21 THE WITNESS: Yes.</p> <p>22 BY MR. BROWN:</p> <p>23 Q. Okay. Are you aware of any</p> <p>24 other agreements between Grace and</p>	<p style="text-align: right;">Page 484</p> <p>1 through 9 were prepared?</p> <p>2 A. No.</p> <p>3 MS. HARDING: Is it fair to</p> <p>4 say?</p> <p>5 THE WITNESS: I am sorry.</p> <p>6 BY MR. SCHIAVONI:</p> <p>7 Q. Let me ask again. That was</p> <p>8 a mistake right that you just said?</p> <p>9 A. Yes, it was.</p> <p>10 Q. Is it fair to say that you</p> <p>11 have no personal knowledge concerning the</p> <p>12 circumstances under which Exhibits 6</p> <p>13 through 9 were prepared?</p> <p>14 A. I have no personal knowledge</p> <p>15 of the circumstances through which</p> <p>16 Exhibits 6 through 9 were prepared.</p> <p>17 Q. All right. Those are</p> <p>18 exhibits at this deposition, 6 through 9,</p> <p>19 right?</p> <p>20 A. Yes.</p> <p>21 Q. And I am sorry to ask you</p> <p>22 this, I apologize, but how old were you</p> <p>23 in 1963?</p> <p>24 MR. LEWIS: I object.</p>
<p style="text-align: right;">Page 483</p> <p>1 Unigard, or its successor, Seaton,</p> <p>2 regarding Unigard policy number 1-0589 or</p> <p>3 1-2517 relating to asbestos-related</p> <p>4 coverage other than the two that are</p> <p>5 listed there?</p> <p>6 A. Settlements, did you say?</p> <p>7 Q. Yes.</p> <p>8 A. No, I am not.</p> <p>9 Q. Are you aware of any other</p> <p>10 agreements between Grace and Unigard, or</p> <p>11 Seaton, regarding claims handling under</p> <p>12 any coverage that is alleged to exist</p> <p>13 under policy number 1-0589 or 1-2517?</p> <p>14 A. No, I am not.</p> <p>15 MR. BROWN: Thank you.</p> <p>16 MR. SCHIAVONI: Just four or</p> <p>17 five things, sir.</p> <p>18 - - -</p> <p>19 EXAMINATION</p> <p>20 - - -</p> <p>21 BY MR. SCHIAVONI:</p> <p>22 Q. Is it fair to say that you</p> <p>23 have no personal knowledge concerning the</p> <p>24 circumstances under which Exhibits 6</p>	<p style="text-align: right;">Page 485</p> <p>1 That's an impertinent question.</p> <p>2 THE WITNESS: I was 6 years</p> <p>3 old.</p> <p>4 MR. SCHIAVONI: It</p> <p>5 demonstrates how silly your</p> <p>6 questions were, sir.</p> <p>7 BY MR. SCHIAVONI:</p> <p>8 Q. How old were you in 1963?</p> <p>9 A. I was 6.</p> <p>10 Q. Is it fair to say you didn't</p> <p>11 work at Grace in the '50s and '60s,</p> <p>12 right?</p> <p>13 A. No, I didn't.</p> <p>14 Q. And you never worked at the</p> <p>15 Zonolite Company; is that right?</p> <p>16 A. No, I didn't.</p> <p>17 Q. Is it fair to say that you,</p> <p>18 Mr. Hughes, have no personal knowledge as</p> <p>19 to whether or not any policies were</p> <p>20 actually issued to BNSF in the '50s or</p> <p>21 '60s, do you, because you weren't around</p> <p>22 then?</p> <p>23 A. No, I don't.</p> <p>24 MR. SCHIAVONI: Thank you,</p>

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
W. R. GRACE & CO., et al.¹)
Debtors.) Case No. 01-01139 (JKF)
) Jointly Administered
)
)
)
)

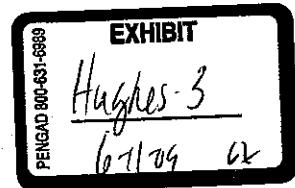


EXHIBIT 4 TO EXHIBIT BOOK
TRUST DISTRIBUTION PROCEDURES

EXHIBIT 4

Attached.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co. Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., GC Limited Partners I, Inc., (f/k/a Grace Cocoa Limited Partners I, Inc.), GC Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc. GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation., W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (F/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

REMAINDER OF EXHIBIT OMITTED
SEE EXHIBIT 4 TO EXHIBIT BOOK
(D.I. 20874)

KIRKLAND & ELLIS LLP
AND AFFILIATED PARTNERSHIPS

EXHIBIT

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April 25, 2009

Subject: Designation of Witnesses in response to OneBeacon America Insurance Company (“OneBeacon”), Seaton Insurance Company (“Seaton”), Government Employees Insurance Company (“GEICO”), Columbia Insurance Company f/k/a Republic Insurance Company (“Columbia”), Fireman’s Fund Insurance Company, Allianz S.p.A., f/k/a Riunione Adriatica di Scura (collectively, “FFIC”), Travelers Casualty and Surety Company, f/k/a The Aetna Casualty and Surety Company (“Travelers”), Allstate Insurance Company (“Allstate”), CNA, Libby Claimants, and London Market Companies Deposition Notices of W.R. Grace et Co., et al. (*In re W.R. Grace & Co., et al.*, Bankruptcy Case No. 01-01139 (JKF)).

Dear Counsel:

Pursuant to Rule 30 of the Federal Rules of Civil Procedure (F.R.C.P.), made applicable in these proceedings by Rules 7030 and 9014 of the Federal Rules of Bankruptcy Procedure, Debtors W.R. Grace & Co. et al. (hereinafter “Grace”) have objected to the notices of deposition served by the above captioned parties seeking Rule 30(b)(6) testimony from Grace. Debtors’ Objection to Notices of Deposition of W.R. Grace & Co. et al. Pursuant to Rule 30(b)(6). (Docket No. 21312). Grace has objected to the deposition notices on the grounds that they purport to seek legal conclusions, information prepared in anticipation of litigation, information obtained by or on behalf of counsel for Grace in preparation for trial, information protected by the work product privilege, information protected by the attorney/client privilege, information protected by the common interest privilege, information protected by Federal Rule of Evidence 408, and/or information otherwise beyond the permissible scope of discovery as set forth in the Federal Rules of Civil Procedure, the Federal Rules of Evidence, the Federal Rules of Bankruptcy Procedure or this Court’s rules.

Pursuant to Rule 30 of the Federal Rules of Civil Procedure and subject to and without waiving any of its objections and all other claims of privilege, Grace has designated Richard Finke, Jay Hughes, and Hudson La Force to serve as witnesses in response to the above captioned Rule 30(b)(6) notices. See Attachment A. With such designations, Grace hereby retracts Mark Shelnitz and Jeff Posner as designated witnesses for these Rule 30(b)(6)

KIRKLAND & ELLIS LLP

April 25, 2009

Page 2

depositions. In accordance with F.R.C.P. 30(d)(1), Grace shall make each witness available for one (1) day of seven (7) hours. The designated witnesses will respond to questions relating to Rule 30(b)(6) subject matters and other factual inquiries relevant to Phase I and II of these proceedings. *See Attachment A.*

Sincerely,

Barbara M. Harding

BHH/kfl

WR Grace / Confirmation Hearing 30(b)(6) Deposition NoticeWitness Designations

<u>Dep Notice Filed by</u>	<u>Topic of Deposition</u>	<u>Designated Witness</u>
Anderson Memorial Hospital Travelers and Allstate	The interpretation of the sales information attached to Anderson Memorial Hospital's ZAI Proof of Claim Form, including billing registers, and all information contained therein 1. The treatment of the Travelers 1992 Agreement under the Revised Joint Plan 2. The treatment of the Travelers 1996 Agreement under the Revised Joint Plan 3. The treatment of the Allstate 1994 Agreement under the Revised Joint Plan 4. The treatment of the Allstate 1996 Agreement under the Revised Joint Plan 5. The provisions of the Revised Joint Plan that relate to Asbestos Insurance Settlement Agreements, including, without limitation, Sections 1.1(14), 1.1(16), 1.1(200), 7.7, 7.13, 7.15, 8.4.1, 9.1 and Exhibit 6 (Asbestos Insurance Transfer Agreement) 6. The provisions of the Revised Joint Plan that relate to Asbestos Insurance Reimbursement Agreements, including, without limitation, Sections 1.1(9), 1.1(16), 7.2.2(d)(iv), 7.7, 7.13, 7.15, 9.1 and Exhibit 6 (Asbestos Insurance Transfer Agreement) 7. The provision of the Revised Joint Plan that relate to Indirect PI Trust Claims, including, without limitation, Section 1.1(138) and Exhibit 4 (Trust Distribution Procedures)	Richard Finke Richard Finke Richard Finke Richard Finke Richard Finke Richard Finke Richard Finke
	<u>SUPPLEMENTAL NOTICE</u>	
	1. The provisions of the Revised Joint Plan that relate to Asbestos PD Claims and Indirect PD Trust Claims, including, without limitation, Sections 1.1(18), 1.1(137), 3.1.7, Exhibit 3 (Asbestos PD Trust Agreement), and Exhibit 25 (Class 7A CMO) Trust Distribution Procedures 2. The classification of Travelers as a Class 7A creditor and solicitation of Class 7A claims	Richard Finke Richard Finke

Dep Notice Filed by	Topic of Deposition	Designated Witness
OneBeacon, Seaton, GEICO, Columbia	<p>3. The treatment and/or payment, pursuant to the Revised Joint Plan, of claims for indemnification arising under the Travelers 1992 Agreement arising from Asbestos PD Claims</p> <p>4. The treatment and/or payment, pursuant to the Revised Joint Plan, of claims for indemnification arising under the Travelers 1996 Agreement arising from Asbestos PD Claims</p> <p>A. Classification and treatment of Indirect PI Trust Claims, including "Indemnified Insurer TDP Claims" and "Insurance-Related TDP Claims" as those terms are used in Sections 5.13 and 5.12 respectively of the Asbestos PI Trust Distribution Procedures</p> <p>B. Bases for the classification of certain contractual indemnity claims held by Settled Asbestos Insurance Companies as Class 6 Asbestos PI Claims</p> <p>C. Bases for the classification and treatment of non-asbestos-related contractual indemnity claims held by Settled Asbestos Insurance Companies as Class 9 General Unsecured Claims</p> <p>D. Scope and operation of the Asbestos PI Channeling Injunction</p> <p>E. Scope and Operation of the Asbestos Insurance Entity Injunction and Successor Claim Injunction</p> <p>F. Scope and operation of Section 7.15 of the Plan entitled, "Insurance Neutrality", and any other purported insurance neutrality provisions in the Plan or Plan Documents</p> <p>G. Operation of the Asbestos PI Trust Agreement and Asbestos PI Trust Distribution Procedures</p> <p>H. Bases for Settled Asbestos Insurance Company designations appearing in Exhibit 5 to the Exhibit Book</p> <p>I. Scope and bases for releases and exculpation provisions in the Plan</p> <p>J. The scope, operation, and necessity of the findings of fact, conclusions of law, orders, and decrees</p>	<p>Richard Finke</p>

Dep Notice Filed by	Topic of Deposition	Designated Witness
	<p>set forth in Section 7.7 of the Plan</p> <p>K. The impact of the Plan and Plan Documents on the claims asserted, threatened, or that may later be asserted by Scotts, BNSF, the Libby Claimants, and/or Kaneb against the Debtors and/or any Asbestos Insurance Entity</p> <p>L. The criteria used to select the Asbestos PI Trustees and the Asbestos PI TAC</p> <p>M. The business background, experience, and qualifications of the individuals selected to be the Asbestos PI Trustees and the members of the Asbestos PI TAC</p> <p>N. The respective powers and authority conferred upon the Asbestos PI Trustees, Asbestos PI TAC, and the Asbestos PI FCR under the Plan and Plan Documents including, but not limited to , the Asbestos PI Trust Agreement, Asbestos PI Trust Distribution Procedures, and the Asbestos Insurance Transfer Agreement</p> <p>O. The respective roles of the Asbestos PI Trustees, Asbestos PI TAC, and the Asbestos PI FCR in the evaluation, handling, defense and settlement/resolution of Asbestos PI Claims under the Plan and Plan Documents</p> <p>P. the role, if any, of the Asbestos Insurance Entities in the evaluation, handling, defense and settlement/resolution of Asbestos PI Claims under the Plan and Plan Documents</p> <p>Q. The scope of the Asbestos Insurance Rights that are to be transferred or assigned to the Asbestos PI Trust pursuant to the Asbestos Insurance Transfer Agreement, and any other Plan Documents</p> <p>R. The impact of the Plan and Plan Documents on the respective rights and duties of the Debtors and Asbestos Insurance Entities under the Asbestos Insurance Policies</p> <p>S. The impact of the Plan and Plan Documents on subsequent coverage litigation between the Asbestos PI Trust (or the Debtors) and Asbestos Insurance Entities including, but not limited to, Non-</p>	<p>Richard Finke</p>

Dep Notice Filed by	Topic of Deposition	Designated Witness
	Settled Asbestos Insurance Companies	Hudson La Force
Fireman's Fund Insurance Co. (re Surety Bond Issues)	T. The nature and value of the Asbestos PI Trust Assets to be used to fund the Asbestos PI Trust	Richard Finke
	U. The Plan's compliance with Section 524(g) of the Bankruptcy Code, as well as other applicable provisions of the Bankruptcy Code	Richard Finke
	1. The classification and treatment of the Proofs of Claim under the Plan (including, to the extent applicable, the TDPs)	Richard Finke
	2. The classification and treatment of the Supersedeas Bond Claim under the Plan (including, to the extent applicable, the TDPs)	Richard Finke
	3. The extent to which the claims asserted in the Proofs of Claim are “Pre-Petition Liquidated Claims” subject to treatment under § 5.2 of the TDPs	Richard Finke
	4. The extent to which the Supersedeas Bond Claim is “Pre-Petition Liquidated Claim”	Richard Finke
	5. The actual, expected, and/or intended effect of excluding Indirect PI Trust Claims that are Pre-Petition Liquidated Claims from § 5.6 of the TDPs	Richard Finke
	6. The meaning and operation of § 5.2 of the TDPs in respect of Pre-Petition Liquidated Claims	Richard Finke
	7. The meaning of the phrase “provided there is no supersedeas bond associated with such verdict or judgment...” in § 5.2(a)(ii) of the TDPs, as well as how this phrase works in relation to § 5.2(b) of the TDPs	Richard Finke
	8. The extent to which the Supersedeas Bond Claim is an Indirect PI Trust Claim, a Class 6 Claim, or a Class 9 Claim	Richard Finke
	9. Debtors’ contentions, if any, regarding whether FFIC may setoff any obligations it may owe to Grace under liability insurance policies issued or allegedly issued by FFIC to W R Grace & Co et	Richard Finke

Dep Notice Filed by	Topic of Deposition	Designated Witness
	<p>al., against Grace's obligations to FFIC under the Special Surety Indemnification Agreement, and the bases for any such contentions</p> <p>10. Debtors' pre-petition payment or funding for the payment of Asbestos Claims, such as judgments, settlements, and litigation costs, from sources other than liability insurance</p> <p>11. The actual, expected, and/or intended impact, if any, of Plan Confirmation on the Special Surety Indemnification Agreement, the Supersedeas Bond, and the Supersedeas Bond Claim, including whether or not Reorganized Debtors will retain the Debtors' obligations under the Special Surety Indemnification Agreement and who, if not Reorganized Debtors, will succeed to or assume such obligations</p> <p>12. The actual, expected, and/or intended impact, if any, of Plan Confirmation on <u>W.R. Grace & Co. v. Aaron Clifton Edwards, et al.</u>, No. 06-00-00112-CV (Tex. App., 6th Appellate Dist.), and the claims asserted in the Proofs of Claim</p>	<p>Jay Hughes</p> <p>Richard Finke</p> <p>Jay Hughes</p>
Fireman's Fund Insurance Co. and Allianz	<p>1. The drafting, negotiation, scope and operation of the Plan, the Asbestos PI Trust Agreement and the Asbestos PI Trust Distribution Procedures, including efforts to (i) involve Asbestos Insurance Entities in the negotiation and/or drafting of the Plan, the Asbestos PI Trust Distribution Procedures, or the Asbestos PI Trust Agreement, or (ii) obtain the consent of the Asbestos Insurance Entities to the Plan, the Asbestos PI Trust Distribution Procedures, and the Asbestos PI Trust Agreement</p> <p>2. The scope and operation of the Asbestos Insurance Entity Injunction and Successor Claims Injunction</p> <p>3. The scope and operation of the Asbestos PI Channeling Injunction, including but not limited to, the effect of the Asbestos PI Channeling Injunction on claims against Settled Asbestos Insurance Companies</p> <p>4. The bases for designating an Asbestos Insurance Entity as a Settled Asbestos Insurance Company</p> <p>5. The selection, qualification, and experience of the proposed Asbestos PI Trustees and the proposed</p>	<p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p>

Dep Notice Filed by	Topic of Deposition	Designated Witness
	Asbestos PI Trust Advisory Committee members	<p>6. Compensation or other financial arrangements between or among any of the proposed Asbestos PI Trustees, Asbestos PI Trust Advisory Committee members or members of the Asbestos PI Committee in respect of the negotiation, drafting or contemplated operation of the Asbestos PI Trust</p> <p>7. The value of the Warrants</p> <p>8. The meaning and operation of Section 7.15 of the Plan, including the interaction of Section 7.15 with Sections 8.1.1, 7.13, 7.7(uu), and 7.7(tt) and the Asbestos Insurance Transfer Agreement</p> <p>9. The meaning of the phrase "any defense that the Plan or any of the Plan Documents do not comply with the Bankruptcy Code" in Section 1.1(16) (definition of "Asbestos Insurer Coverage Defenses")</p> <p>10. The impact, if any, of Plan Confirmation on Non-Settled Asbestos Insurance Companies, including:</p> <ul style="list-style-type: none"> a) Whether and to what extent the Reorganized Debtors retain the Debtors' obligations under Asbestos Insurance Policies; b) Whether the Asbestos PI Trust assumes the obligations of the Debtors under the Asbestos Insurance Policies; c) The application of the exculpation provision of Section 11.9 of the Plan; d) Whether the Plan will act as a settlement or judgment that will immediately trigger a payment obligation under the Asbestos Insurance Policies issued by the Non-Settled Asbestos Insurance Companies; e) Whether the Non-Settled Asbestos Insurance Companies' indemnity obligations will be triggered due to the establishment of the Asbestos PI Trust and transfer of assets to the Trust; f) Whether the Non-Settled Asbestos Insurance Companies' indemnity obligations for any Asbestos PI Claim will accrue or be triggered prior to the payment of an Asbestos PI Claim by Asbestos PI Trust; g) Whether and how the Plan and Plan Documents can be used in subsequent Asbestos Insurance Actions or other proceedings by the Asbestos PI Trust or the Debtors against Non-Settled Asbestos

Dep Notice Filed By	Topic of Deposition	Designated Witness
Insurance Companies;	<p>h) The role, if any, the Non-Settled Asbestos Insurance Companies will have in the evaluation, defense, allowance, or settlement of Asbestos PI Claims channeled to or submitted to the Asbestos PI Trust;</p> <p>i) Whether, and to what extent, the Non-Settled Asbestos Insurance Companies will be responsible for paying all or part of any Asbestos PI Claim resolved by the Asbestos PI Trust pursuant to the Asbestos PI Trust Distribution Procedures or for indemnifying the Asbestos PI Trust for any payment it makes on account of Asbestos PI Claims</p> <p>11. The Debtors' duties and obligations with respect to any Asbestos Insurance Policies upon the transfer of the Asbestos Insurance Rights to the Asbestos PI Trust</p> <p>12. The meaning and scope of the definition of Indirect PI Trust Claims, including whether, and to what extent, claims by Asbestos Insurance Entities for indemnification and/or contribution from Debtors for claims asserted against them, such as, by illustration, the Libby Claimants, or The Scotts Company, LLC, or BNSF Railway Company (or its predecessors)</p> <p>13. The treatment of Indirect PI Trust Claims by the Plan and the Plan Documents</p> <p>14. The basis for classification and treatment of an Asbestos Insurance Entity's Asbestos Claims against the Debtors for indemnification arising from contract or otherwise as Class 6 Asbestos PI Claims</p>	<p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p>
Maryland Casualty Co., Zurich Insurance Co., and Zurich International	<p>1. The scope of protection provided to Settled Asbestos Insurance Companies by the Asbestos PI Channelling Injunction and the scope of Debtors' indemnity obligations under the respective Asbestos Insurance Settlement Agreements</p> <p>2. The viability of the Plan if the Court upholds any objections to the application of the Asbestos PI Channelling Injunction to one or more of the Settled Asbestos Insurance Companies</p> <p>3. The Plan's treatment of any Settled Asbestos Insurance Companies who are found by the Court to have discrete, unsettled coverage under an otherwise settled policy</p>	<p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p>

Dep Notice Filed by	Topic of Deposition	Designated Witness
	4. The intended scope of Debtors' indemnity obligations under the MCC Settlement Agreements	Richard Finke
	5. The Plan Proponents' position that Settled Asbestos Insurance Companies are not creditors	Richard Finke
	6. The impact of the Plan and Plan Documents on the claims asserted, threatened, or that may later be asserted by Scotts, BNSF, and/or the Libby Claimants, against the Debtors and/or any Asbestos Insurance Entity	Richard Finke
	7. The bases for the classification of certain indemnity claims arising from contract or otherwise, against the Debtors held by Settled Asbestos Insurance Companies as Class 6 Asbestos PI Claims	Richard Finke
	8. The classification and treatment under the Plan of Asbestos Insurance Entities' claims against the Debtors for indemnification arising from contract or otherwise which are not Indirect PI Trust Claims	Richard Finke
	9. The scope and operation of the Asbestos PI Channeling Injunction, including but not limited to, the effect of the Asbestos PI Channeling Injunction on claims against Settled Asbestos Insurance Companies	Richard Finke
	10. The Plan's compliance with section 524(g) of the Bankruptcy Code	Richard Finke
	11. The meaning and scope of the indirect PI Trust Claims, including whether, and to what extent, claims by Asbestos Insurance Entities for indemnification and contribution deriving from claims against them, such as those by the Libby Claimants, Scotts, BNSF are Indirect PI Trust Claims	Richard Finke
	12. The treatment of Indirect PI Trust Claims under the Plan, the Asbestos PI Trust Distribution Procedures, and the other Plan Documents, including but not limited to, the treatment of an Asbestos Insurance Entity's claims against the Debtors for indemnification arising from a pre-bankruptcy petition settlement agreement	Richard Finke
	13. The scope of Section 524(g) of the Bankruptcy Code on claims against Settled Asbestos Insurance	Richard Finke

Dep Notice Filed By	Topic of Deposition	Designated Witness
Companies	<p>14. The scope and operation of the Asbestos Insurance Entity Injunction and Successor Claims Injunction</p> <p>15. The meaning of the phrase "any defense that the Plan or any of the Plan Documents do not comply with the Bankruptcy Code" in Section 1.1(16)(definition of "Asbestos Insurer Coverage Defendants")</p> <p>16. The meaning and operation of the insurer neutrality provision of Section 7.15 of the Plan, including the interaction of Section 7.15 of the Plan with Sections 8.1.1, 7.13, 7.7(uu), and 7.7(tt) of the Plan and the Asbestos Insurance Transfer Agreement</p> <p>17. The Plan's treatment of Asbestos Insurance Reimbursement Agreements</p>	<p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p>
Libby Claimants	<p><u>Plan</u></p> <ol style="list-style-type: none"> 1. Development of Plan among plan proponents, including negotiations, other discussions between or within the plan proponents, and preparation of documents, including drafts. 2. Funding of the Asbestos PI Trust, including value at time of negotiation of assets to be used to fund the Asbestos PI Trust. 3. Current value of assets to be used to fund the Asbestos PI Trust. 4. Projected value at scheduled Confirmation Hearing of assets to be used to fund the Asbestos PI Trust. <p><u>Asbestos PI Trust</u></p> <ol style="list-style-type: none"> 1. Development of the TDP, including negotiations, other discussions between or within the plan proponents, and preparation of documents, including drafts. 	<p>Richard Finke</p> <p>Hudson La Force</p> <p>Hudson La Force</p> <p>Hudson La Force</p> <p>Jay Hughes</p>

Dep Notice Filed by	Topic of Deposition	Designated Witness
	<p>2. TDP's in other cases used as models, points of reference or in any other way utilized in the development of the TDP ("Other TDPs").</p> <p>3. Liquidation of claims under Other TDPs.</p> <p>4. Process by which the Asbestos PI Trust will liquidate claims.</p> <p>5. Disease categories under the TDP.</p> <p>6. The "Severe Pleural" disease category under the TDP.</p> <p>7. Provisions of the TDP concerning "Extraordinary Claims."</p> <p><u>Injunctions</u></p> <p>1. The Asbestos PI Channeling Injunction.</p> <p>2. Development of Asbestos PI channeling Injunction among plan proponents, including negotiations, other discussions between or within the plan proponents, and preparation of documents, including drafts.</p> <p>3. Injunctions in other cases similar to the Asbestos PI Channeling Injunction used as models, points of reference or in any other way utilized in the development of the Asbestos PI Channeling Injunction ("Other Channeling Injunctions").</p> <p>4. Litigation concerning scope of Other Channeling Injunctions.</p> <p>5. Scope and operation of the Asbestos PI Channeling Injunction, including the effect, if any, on actions by Libby Claimants against parties other than the Debtors, including but not limited to BNSF, the State of Montana and Maryland Casualty Company, for their own allegedly tortious conduct ("Libby Claimants' Independent Actions").</p> <p>6. Necessity of, or benefit to plan proponents or Asbestos PI Trust from, the Asbestos PI Channeling</p>	<p>Jay Hughes</p> <p>Jay Hughes</p> <p>Jay Hughes</p> <p>Jay Hughes</p> <p>Jay Hughes</p> <p>Jay Hughes</p> <p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p>

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	<p>Injunction (including consideration supplied to any of the plan proponents by those protected by the Asbestos PI Channeling Injunction).</p> <p>7. The Asbestos Insurance Entity Injunction.</p> <p>8. Development of Asbestos Insurance Entity Injunction among plan proponents, including negotiations, other discussions between or within the plan proponents, and preparation of documents, including drafts.</p> <p>9. Injunctions in other cases similar to the Asbestos Insurance Entity Injunction used as models, points of reference or in any other way utilized in the development of the Asbestos Insurance Entity Injunction ("Other Insurance Entity Injunctions").</p> <p>10. Litigation concerning scope of Other Insurance Entity Injunctions.</p> <p>11. Scope and operation of the Asbestos Insurance Entity Injunction, including the effect, if any, on Libby Claimants' Independent Actions.</p> <p>12. Necessity of, or benefit to plan proponents or Asbestos PI Trust from, the Asbestos Insurance Entity Injunction (including consideration supplied to any of the plan proponents by those protected by the Asbestos Insurance Entity Injunction).</p> <p>13. The Successor Claims Injunction.</p> <p>14. Development of Successor Claims Injunction among plan proponents, including negotiations, other discussions between or within the plan proponents, and preparation of documents, including drafts.</p> <p>15. Injunctions in other cases similar to the Successor Claims Injunction used as models, points of reference or in any other way utilized in the development of the Successor Claim Injunction ("Other Successor Claims Injunctions").</p>

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	<p>16. Litigation concerning scope of Other Successor Claims Injunctions.</p> <p>17. Scope and operation of the Successor Claims Injunction, including the effect, if any, on Libby Claimants' Independent Actions.</p> <p>18. Necessity of, or benefit to plan proponents or Asbestos PI Trust from, the Successor Claims Injunction (including consideration supplied to any of the plan proponents by those protected by the Successor Claims Injunction).</p> <p>19. Release and exculpation provisions of the Plan (the "Releases and Exculpations").</p> <p>20. Development of The Releases and Exculpations among plan proponents, including negotiations, other discussions between or within the plan proponents, and preparation of documents, including drafts.</p> <p>21. Injunctions in other cases similar to the Releases and Exculpations used as models, points of reference or in any other way utilized in the development of the Releases and Exculpations ("Other Releases and Exculpations").</p> <p>22. Litigation concerning scope of Other Releases and Exculpations.</p> <p>23. Scope and operation of the Releases and Exculpations, including the effect, if any, on Libby Claimants' Independent Actions.</p> <p>24. Necessity of, or benefit to plan proponents or Asbestos PI Trust from, the Releases and Exculpations (including consideration supplied to any of the plan proponents by those protected by the Releases and Exculpations).</p> <p>25. The plan's compliance with Section 524(g) of the Bankruptcy Code.</p>	<p>Richard Finke</p>

Dep Notice Filed by	Topic of Deposition	Designated Witness
	<p>1. Liquidation analysis contained in Exhibit Book as Exhibit 8 (the "Liquidation Analysis")</p> <p>2. Development of Liquidation Analysis among plan proponents, including negotiations, other discussions between or within the plan proponents, and preparation of documents.</p> <p>3. Projections, assumptions, calculations and sources of information utilized in preparing Liquidation Analysis.</p> <p>4. Any changes in, or changes in the validity of, any such projections, assumptions, calculations and sources of information, through the present date.</p>	Hudson La Force
	<u>Claims History</u>	Jay Hughes
	<p>1. Grace claims history concerning Asbestos PI Claims.</p> <p>2. Grace's settlement practices and verdict history for Asbestos PI Claims.</p> <p>3. Grace's settlement practices and verdict history for punitive damage claims.</p> <p>4. Grace's settlement practices and verdict history for wrongful death claims.</p> <p>5. Grace's settlement practices and verdict history for claims resulting from exposure to Grace's asbestos in Lincoln County, Montana.</p> <p>6. Grace's settlement practices and verdict history for claims resulting from exposure outside of Lincoln County, Montana, to Grace's asbestos originating in Lincoln County, Montana.</p>	Jay Hughes
	<u>Rights of BNSF</u>	Jay Hughes
	<p>1. Claims of Burlington Northern Santa Fe Railroad and affiliates ("BNSF") against the Debtors.</p> <p>2. Proofs of claim filed by BNSF.</p>	Jay Hughes

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	3. Any rights of indemnification by BNSF against the Debtors, and any agreements pertaining thereto.	Jay Hughes
	4. Any rights of contribution by BNSF against the Debtors.	Jay Hughes
	5. Any insurance covering BNSF for Libby Claimants' Independent Actions against BNSF.	Jay Hughes
	<u>Rights of the State of Montana</u>	
	1. Claims of the State of Montana against the Debtors.	Jay Hughes
	2. Proofs of claim filed by the State of Montana.	Jay Hughes
	3. Any rights of indemnification by the State of Montana against the Debtors, and any agreements pertaining thereto.	Jay Hughes
	4. Any rights of contribution by the State of Montana against the Debtors.	Jay Hughes
	5. Any insurance covering the State of Montana for Libby Claimants' Independent Actions against the State of Montana.	Jay Hughes
	<u>Rights of Maryland Casualty Company</u>	
	1. Claims of the Maryland Casualty Company, including affiliates ("MCC") against the Debtors.	Jay Hughes
	2. Proofs of claim filed by MCC.	Jay Hughes
	3. Any rights of indemnification by MCC against the Debtors, and any agreements pertaining thereto.	Jay Hughes
	4. Any rights of contribution by MCC against the Debtors.	Jay Hughes
	5. Any insurance covering MCC for Libby Claimants' Independent Actions against MCC.	Jay Hughes

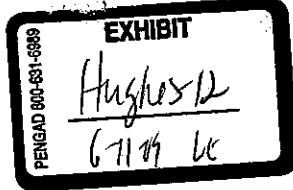
Dep Notice Filed by	Topic of Deposition	Designated Witness
	<u>Insurance</u>	<p>1. Grace's insurance policies (whether owned by Grace or purchased for another entity), coverage issues and settlements with insurers.</p> <p>2. Grace's insurance coverage for products/completed operations, including terms thereof, aggregate caps, and defenses to and limitations on such coverage.</p> <p>3. Projected value of the Asbestos Insurance Rights constituting products/completed operations coverage.</p> <p>4. Projected aggregate liquidated amount of the Asbestos PI Claims (including future claims) covered by products/completed operations insurance.</p> <p>5. Grace's insurance coverage for premises/non-completed operations, including terms thereof, aggregate caps, and defenses to and limitations on such coverage.</p> <p>6. Projected value of the Asbestos Insurance Rights constituting premisses/non-completed operations coverage.</p> <p>7. Projected aggregate liquidated amount of the Asbestos PI Claims (including future claims) covered by premises/non-completed operations insurance.</p> <p>8. Settlements with Grace insurers.</p> <p>9. Bases for designation under the Plan of certain Asbestos Insurance Entities as Settled Asbestos Insurance Companies.</p>
CNA		<p>1. The meaning and operation of the insurer neutrality provision of Section 7.15 of the Plan, including the interaction of Section 7.15 of the Plan with Sections 8.1.1, 7.13, 7.7(u), and 7.7(tt) of the Plan and the Asbestos Insurance Transfer Agreement.</p> <p>2. The treatment of Indirect PI Trust Claims under the Plan, the Asbestos PI Trust Distribution Procedures, and the other Plan Documents, including but not limited to, the treatment of an Asbestos</p>

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	<p>Insurance Entity's claims against the Debtors for indemnification arising from a pre-bankruptcy petition settlement agreement.</p> <p>3. The meaning and scope of Indirect PI Trust Claims, including whether, and to what extent, claims by Asbestos Insurance Entities for indemnification and contribution deriving from claims against them, such as those by the Libby Claimants, Scotts, and BNSF, are Indirect PI Trust Claims.</p> <p>4. The basis for classification and treatment of an Asbestos Insurance Entity's Asbestos PI Claims against the Debtors for indemnification arising from contract or otherwise as Class 6 Asbestos PI Claims.</p> <p>5. The classification and treatment under the Plan of Asbestos Insurance Entities' claims against the Debtors for indemnification arising from contract or otherwise which are not Indirect PI Trust Claims.</p> <p>6. The scope and operation of the Asbestos PI Channeling Injunction, including but not limited to, the effect of the Asbestos PI Channeling Injunction on claims against Settled Asbestos Insurance Companies.</p> <p>7. The scope and operation of the Asbestos Insurance Entity Injunction and Successor Claims Injunction.</p> <p>8. The meaning of the phrase "any defense that the Plan or any of the Plan Documents do not comply with the Bankruptcy Code" in Section 1.1(16) (definition of "Asbestos Insurer Coverage Defenses")</p> <p>9. The drafting, negotiation, scope and operation of the Asbestos PI Trust Agreement and the Asbestos PI Trust Distribution Procedures, including efforts to obtain the consent of the Asbestos Insurance Entities to the Plan, the Asbestos PI Trust Distribution Procedures, and the Asbestos PI Trust Agreement, or to involve them in drafting the Asbestos PI Trust Agreement.</p> <p>10. The selection, qualification, and experience of the Asbestos PI Trustees and Asbestos PI Trust Advisory Committee members.</p>	<p>Richard Finke</p>

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	<p>11. Any compensation or other financial arrangements between each Asbestos PI Trustee and any Asbestos PI Trust Advisory Committee member or member of the Asbestos Claimants Committee on the one hand, and the Asbestos PI Trust.</p> <p>12. The bases for designating an Asbestos Insurance Entity as a Settled Asbestos Insurance Company.</p> <p>13. The Plan's treatment of Asbestos Insurance Reimbursement Agreements.</p> <p>14. The valuation of the Warrants, including, but not limited to, the use of any valuation model or similar valuation tool.</p> <p>15. The impact, if any, of Plan Confirmation on Non-Settled Asbestos Insurance Companies, including:</p> <ul style="list-style-type: none"> a. Whether and to what extent the Reorganized Debtors retain the Debtors' obligations under Asbestos Insurance Policies; b. Whether the Asbestos PI Trust assumes the obligations of the Debtors under the Asbestos Insurance Policies; c. The application of the exculpation provision of Section 11.9 of the Plan; d. Whether the Plan will act as a settlement or judgment that will immediately trigger a payment obligation under the Asbestos Insurance Policies issued by the Non-Settled Asbestos Insurance Companies; e. Whether the Non-Settled Asbestos Insurance Companies' indemnity obligations will be triggered due to the establishment of the Asbestos PI Trust and transfer of assets to the Trust; f. Whether the Non-Settled Asbestos Insurance Companies' indemnity obligations for any Asbestos PI Claim will accrue or be triggered prior to the payment of an Asbestos PI Claim by Asbestos PI Trust; g. Whether and how the Plan and Plan Documents can be used in subsequent Asbestos Insurance Actions or other proceedings by the Asbestos PI Trust or the Debtors against Non-Settled Asbestos Insurance Companies; h. The role, if any, the Non-Settled Asbestos Insurance Companies will have in the evaluation, defense, allowance, or settlement of Asbestos PI Claims channeled to or submitted to the Asbestos PI 	Richard Finke

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Trust;	<p>i. Whether, and to what extent, the Non-Settled Asbestos Insurance Companies will be responsible for paying all or part of any Asbestos PI Claim resolved by the Asbestos PI Trust pursuant to the Asbestos PI Trust Distribution Procedures or for indemnifying the Asbestos PI Trust for any payment it makes on account of Asbestos PI Claims.</p> <p>16. The Debtors' duties and obligations with respect to any Asbestos Insurance Policies upon the transfer of the Asbestos Insurance Rights to the Asbestos PI Trust.</p> <p>17. The treatment of workers compensation obligations as unimpaired, general unsecured claims that are to be liquidated and paid in full.</p>	<p>Richard Finke</p> <p>Richard Finke</p>
London Market Companies	<p>1. The treatment of the London Market Companies 1995 Agreement under the Revised Joint Plan.</p> <p>2. The treatment of the London Market Companies 1996 Agreement under the Revised Joint Plan.</p> <p>3. The provisions of the Revised Joint Plan that relate to Asbestos Insurance Reimbursement Agreements, including, without limitation, Sections 1.1(9), 1.1(16), 7.2.2(d)(iv), 7.7, 7.13, 7.15, 9.1 and Exhibit 6 (Asbestos Insurance Transfer Agreement).</p> <p>4. The provisions of the Revised Joint Plan that relate to Indirect PI Trust Claims, including, without limitation, Sections 1.1(138) and Exhibit 4 (Trust Distribution Procedures).</p>	<p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p> <p>Richard Finke</p>

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**



In re:)	Chapter 11
)	
W. R. GRACE & CO., et al.¹)	Case No. 01-01139 (JKF)
)	Jointly Administered
Debtors.)	
)	
)	
)	

**EXHIBIT 6 TO EXHIBIT BOOK
ASBESTOS INSURANCE TRANSFER AGREEMENT**

EXHIBIT 6

Attached.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co. Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., GC Limited Partners I, Inc., (f/k/a Grace Cocoa Limited Partners I, Inc.), GC Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation., W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (F/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

REMAINDER OF EXHIBIT OMITTED
SEE EXHIBIT 6 TO EXHIBIT BOOK
(D.I. 20874)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

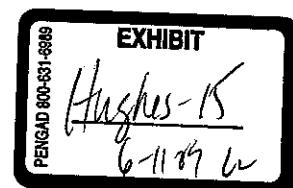
In re:) Chapter 11
W. R. GRACE & CO., et al.¹) Case No. 01-01139 (JKF)
Debtors.) Jointly Administered
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**EXHIBIT 5 TO EXHIBIT BOOK
SCHEDULE OF SETTLED ASBESTOS INSURERS
ENTITLED TO 524 (g) PROTECTION**

EXHIBIT 5

Attached.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co. Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., GC Limited Partners I, Inc., (f/k/a Grace Cocoa Limited Partners I, Inc.), GC Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc. GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation., W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (F/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.



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SEE EXHIBIT 5 TO EXHIBIT BOOK
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